FINANCIAL TIMES

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No. 29,287 Monday April 2 1984 D 8523 B

The long road to European farm reform, Page 2

NEWS SUMMARY

GENERAL

UK coal movement blocked by strike

All movement of coal in Britain is expected to grind to a halt over the next few days as the miners' strike moves into its fourth week.

Most of the actions by rail and transport workers in support of miners will be unlawful and could attract court injunctions from British Rail and haulage contractors.

The National Coal Board may also seek injunctions against expected heavy picketing of pits in Lancashire where a miners' union meeting voted to return to work in defiance of the national mineworkers' leadership. Page 18

Sharon 'will stand'

Former Israeli Defence Minister Ariel Sharon formally told party leaders last night that he would challenge Prime Minister Yitzhak Shamir for leadership of the Herut Party, the senior party in the ruling Likud coalition.

Mondale widens lead

Opinion polls show former Vice-President Walter Mondale has widened his lead over Sen Gary Hart to 13 percentage points in the New York primary election for the Democratic Party nomination, to be held tomorrow.

More Indian deaths

At least five people died, three of them women, killed when a grenade was thrown in Amritsar, and 30 were wounded in renewed violence yesterday in the North Indian state of Punjab despite moves by the [illegible] and by Sikh leaders to resolve the communal crisis. Earlier report, Page 2

Army chief ousted

The President of Honduras, Roberto Suazo Cordoba, sacked the head of the armed forces and ordered him to leave the country in order to "safeguard the constitution." Page 2

U.S. chemicals held

U.S. customs officials in New York seized 74 drums of potassium fluoride destined for Iraq, on the grounds that it could be used to make nerve gas for use in chemical warfare. Page 2

Brazil elections veto

Brazil's President Figueiredo rejected demands by the opposition for the return of presidential elections to choose his successor when he stands down next year. Page 2

Turkish promises

Turkey's Prime Minister Turgut Ozal plans to investigate complaints over human rights violations and lift visa requirements for Greeks visiting Turkey.

Colonels face trial

Four Spanish colonels, alleged to have plotted a coup to stop the Socialists winning the 1982 elections, will go on trial in Madrid on April 19. Prosecution is demanding 15 year sentences.

Row over crucifixes

Poland's bishops issued a pastoral letter which was read out from all the country's pulpits defending the display of crucifixes, which the Government has banned from schools.

Irish plea to Reagan

The Irish opposition leader Charles Haughey called on President Reagan to declare himself in favour of Irish unity when he visits Ireland in June.

Anthrax outbreak

Five hundred impalas have died from anthrax in Tanzania's Lake Manyara national park, and the disease has also been reported in cattle in the district.

BUSINESS

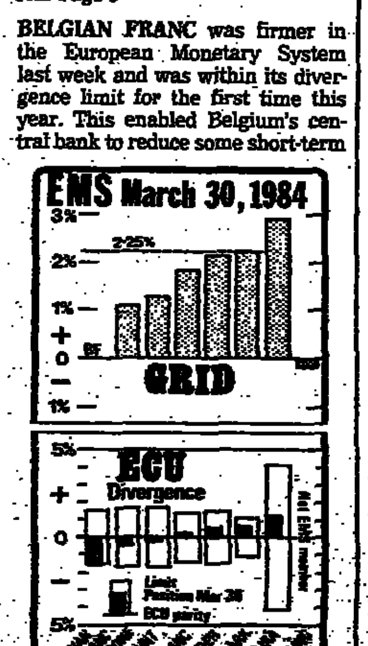
Hint of easier China oil licences

CHINA has hinted it will make terms easier for foreign oil companies when it opens the second stage of bidding for offshore exploration licences, which may take place before the end of the year. Page 3

OCCIDENTAL Petroleum of the U.S. has appointed UK merchant bank Morgan Grenfell to help it dispose of a portion of its 35.5 per cent stake in the Claymore North Sea oilfield.

FORD UK has begun an investment programme worth nearly $36m at its component plant at Basildon, Essex. Page 6

BELGIAN FRANC was firmer in the European Monetary System last week and was within its divergence limit for the first time this year. This enabled Belgium's central bank to reduce some short-term interest rates and refrain from intervening in currency markets to support the franc. Much of the improvement was due to a stronger dollar which depressed the D-Mark and relieved pressure on weaker member currencies. There was also less speculation on the franc as the possibility of an EMS realignment receded. Currencies, Page 30



The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

JAPAN has allowed companies for the first time to issue Euroyen bonds. Page 19

GB-INNO-BM, Belgium's largest retailer with over 7 per cent of domestic sales, announced a 6 per cent increase in net profits for 1983 over 1982 at BFr 1bn ($18.6m). Page 20

SHORT BROTHERS of Northern Ireland is expected to sign an agreement soon with Embraer of Brazil to build the Tucano trainer aircraft, provided Britain's RAF orders it. Page 5

U.S. NUCLEAR power company Lilco had its profits statement for last year qualified by its auditors. Page 20

BRITISH AIRWAYS became a public limited company yesterday in preparation for selling off shares in the state-owned airline next March. Page 6

LONDON stockbroker Grieveson Grant has formed an international dealing subsidiary to take advantage of more liberal Stock Exchange rules. Page 5

UK'S most northerly sector of the North Sea may contain a large oilfield, according to an American-led consortium. The U.S. company Conoco is to begin explorations next week.

Montreal stock prices for last Friday were unavailable for this edition because of transmission difficulties. Toronto prices, Page 24

Argentina under pressure to sign accord with IMF

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA is facing renewed pressure from international banks to sign an early agreement with the International Monetary Fund (IMF) following the temporary solution reached over the pressing problems of the country's unpaid interest.

A $500m rescue package was announced simultaneously by the Economy Ministry and the U.S. Treasury on Saturday, only a few hours before the expiry of a critical March 31 deadline, after which some U.S. banks might have had to declare some of their Argentine loans non-performing.

The package appears to have been put together hurriedly in response to the prospect that Argentine failure to reach agreement with creditors was threatening a major crisis of far reaching implications for Latin America and the Western financial community.

A formal commitment to speed up its current efforts towards the signature of a "letter of intent," and the release of $100m credit from its own reserve, were the main Argentine concessions in a compromise agreement which is unprecedented in recent banking history.

As part of the deal, the central banks of Mexico, Brazil, Colombia and Venezuela will contribute short-term credits totalling $300m, while commercial banks will release $100m.

The agreement is in one respect an immediately less taxing solution for Argentina than the conditions which had earlier been demanded by the foreign banks. These had insisted that arrears should be settled by drawing on Argentina's reserves, estimated at around $1bn, and that no fresh funds would be forthcoming until the country had at least reached an agreement with Mr Jacques de Larosiere, the Fund's managing director.

Nevertheless the Latin American countries involved in the deal are themselves heavily indebted, and two of them, Mexico and Brazil, were the recent signatories to a delicately balanced rescheduling agreement involving the IMF.

All four countries are understood to have agreed to Saturday's deal on the strict understanding that there would be an early repayment of their loans and that Argentina would not jeopardise the stability of the region by repudiating its debt.

Repayment of their loans is linked to a bridging finance of $300m from the U.S. Treasury. This will be withheld unless Argentina signs an agreement with the IMF in "three or four weeks," Mr Donald Regan, the U.S. Treasury Secretary, said on Saturday.

The Argentine media rallied behind Government claims over the weekend interpreting the rescue package as a major triumph for President Raul Alfonsin and Sr Bernardo Grinspun, his Economy Minister.

Sr Alfonsin himself – who was expected to address the nation late last night – was meanwhile likely to claim that he had managed to reconcile two seemingly irreconcilable aims: the forging of South American unity around Argentina and the strengthening of Buenos Aires' links with Washington. By exploiting Saturday's debt agreement as a political triumph, he will aim to mitigate the declining popularity of his Government in recent weeks on account of the mounting economic problems.

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Banks build up reserves, Page 16; International capital markets, Pages 19-20

Tough French steel plan provokes new tensions in coalition

BY PAUL BETTS IN PARIS

THE FRENCH Government's tough steel industry restructuring programme involving the loss of up to 25,000 jobs has provoked what is developing into the most serious rift between Socialists and Communists in France since the Left came to power in May 1981.

M Georges Marchais, the French Communist Party Secretary-General, openly condemned the steel proposals at the weekend as "a bad plan," and pressed for changes in the restructuring programme.

The four-year steel plan was announced by the Government last Thursday and immediately provoked a major wave of unrest in the depressed steel and coal region of Lorraine. But after two days of clashes, this eastern region of France was calm at the weekend.

The steel restructuring plan has been followed by another significant industrial policy decision by the Government. The Mitterrand Administration has decided to cut back the 1984 investment budgets of all the main government departments, with the exception of the Ministry of Defence, to make available FFr 3.7bn ($463m) in additional aid to the country's troubled shipbuilding industry.

After the recent announcements of restructurings and layoffs in the French coal and motor industries, the steel plan has caused open strains in the current left-wing governing alliance between Socialists and Communists.

Although the Communists at this stage are not keen to leave the Government, the steel plan has put them in an extremely delicate and difficult position. If the protests increase, the Communists may find it increasingly difficult to justify their continuing presence in the Government and support of its industrial policy, many French political observers remarked at the weekend.

The takeover of Dunlop France by Sumitomo Rubber is likely to be approved, failing a suitable European counter bid, according to M Laurent Fabius, French industry minister. Page 18

UK steel consumers are facing delivery bottlenecks and a possible further price rise in the third quarter. Customer orders could also be hit by the miners' strike, Page 5

The steelworkers are due to march on Paris on April 13 and the region of Lorraine will be hit by a general strike on Wednesday. On Wednesday, President François Mitterrand is also due to hold a much-awaited press conference which will be his first public opportunity to address the French on his controversial steel industry restructuring decision.

For his part, M Marchais is expected to use a long interview on French television tonight to express the Communist Party's opposition to the steel plan. The interview will give additional clues to the Communist Party's political intentions.

But criticisms of the Government's steel plans have also surfaced inside the Socialist Party. M Gaston Defferre, the veteran Socialist Interior Minister, criticised at the weekend the decision to close down the Ugine Fos steel works near his home city of Marseilles. Four Socialist members of parliament have already resigned. The Cabinet, itself, was split on the decision, with M Laurent Fabius, the Industry Minister, having opposed the steel restructuring as finally decided by the Government last Thursday.

Under the circumstances, it is hardly surprising that the crisis of the European Community has failed to hold the headlines despite the agreement on farm prices.

Predictably, the French farmers' union criticised the farm price agreement which gives France an average price increase of 5 per cent. The farmers' organisations were quick to point out that inflation this year was expected to run at a rate of more than 7 per cent in France (despite the Government's official 5 per cent target for 1984).

But the fact that farm ministers succeeded in reaching an agreement was seen as an important boost for France's efforts to find a solution to the EEC crisis during its presidency of the Community.

However, government officials remain extremely cautious over the

Continued on Page 18

U.S. boost for Brazilian steel wire, Page 3; Thyssen chief wins approval, Page 18

Lagos oil output threatened by lack of lubricants

BY QUENTIN PEEL, AFRICA EDITOR, IN LONDON

OIL PRODUCTION in Nigeria, the source of 95 per cent of the country's export earnings needed to finance a yawning balance of payments deficit, may have to be cut back within a matter of days because of an oil shortage, according to oil company officials.

The problem is that the major oil producers in the Niger delta – companies such as Shell, Gulf, Mobil, Elf and Agip – are running desperately short of certain grades of lubricating oil needed to carry on pumping crude, but they cannot persuade the Government to grant the necessary licences to import it.

Oil company officials say that some operators have less than two weeks' supply of vital lubricants still in stock. They have already begun emergency conservation measures and will soon be forced to run down oil production to eke out supplies.

Even if import licences are granted now, the lubricants will have to be airlifted into the country, they say.

The crisis could not have come at a worse time for Nigeria, which has managed to pump oil at a rate of more than 1.5m barrels a day – considerably more than its 1.3m b/d production quota fixed by the Organisation of Petroleum Exporting Countries (Opec) – for the past two months.

The extra production is urgently needed to pay for essential imports, including food, spare parts and raw materials for industry.

In the battle, however, for the handful of available import licences, the oil companies have lost out in their search for lubricants.

"We need to import the base oils, the additives and the drums," one industry official said. "Some import licences have been issued by the Nigerian National Petroleum Corporation (NNPC), but their validity has been challenged by the central bank.

"Base oil imports have got very tight, because the Government says they can be produced by the oil refinery at Kaduna. That may be true in theory, but they are only operating at half capacity, and anyway they cannot produce the full range we need."

Senior oil company executives have made urgent representations to civilian ministers and members of the ruling Supreme Military Council, but so far to no avail.

If production has to be cut it will be a gradual process, industry officials say, with companies closing down their smallest pumps in order to ration available lubricant supplies for the higher producing wells.

Apart from the need to obtain import licences and a foreign exchange allocation from a Nigerian bank, companies seeking to import goods are also finding confirmed letters of credit very difficult to obtain, because of the unwillingness of international banks to increase their exposure. At the same time, exporters have cut back on open account trading, because of huge arrears in Nigerian trade payments.

China encourages oil exploration, Page 3

EEC farm ministers face a storm of criticism

By Ivo Dawnay in Brussels and Peter Riddell in London

EEC FARM Ministers face a storm of criticism in their various parliaments this week while farmers' organisations throughout European Community have unanimously denounced the agricultural prices and reform package agreed by the Ten at the weekend.

The strongest attacks came from dairy producers who claim that the average 7 per cent cut-back in output, together with a 1 percentage point rise in the co-responsibility tax, will bankrupt thousands of dairy producers.

Despite the outcry, European Commission officials in Brussels were greeting the agreement with relief.

Settlement of the agricultural issues means that just the British budget rebate problem remains as the major obstacle between the Ten and completion of the package of reforms that failed to win agreement at the Brussels heads of Government summit a fortnight ago.

The budget imbalances problem is due to be raised again in Luxembourg next week when foreign ministers will attempt to find a compromise deal able to provide short-term funds for excess spending this year alongside a long-term resolution of the British demands.

Agreement of the farm package came after talks all night on Friday produced a series of substantial compromises on several key issues. The deal was just in time to allow the new regime to come into force yesterday, the beginning of the marketing year for several key products.

In Britain, Mr Michael Jopling, Agriculture Minister, is likely to come in for stern criticism from some Conservative MPs when he makes a statement to the House of Commons this afternoon. Anger has been mounting over the past fortnight not only among long-standing Conservative opponents of Britain's membership of the EEC but also among backbenchers from affected farming constituencies.

This could lead to pressure on the British Government during the House of Commons debate on the EEC. The Labour Party has decided to force a vote, partly in the hope of highlighting Conservative divisions on the issue.

First step on road to reform, Page 2; Editorial comment, Page 16; Summits and their uses, Page 17

Saudi Arabia boosts spending to $75bn

BY MICHAEL FIELD AND FINN BARRE IN RIYADH

THE SAUDI ARABIAN Government plans to spend $75bn in the next 12 months, according to the 1984-85 budget announced by King Fahd yesterday.

The budget, if implemented as planned, will increase state spending by $12bn from the 1983-84 level. Saudi Arabia is among the top six export markets of most of the world's major industrialised nations.

It is felt in Riyadh that the new budget is more realistic than last year's, although its revenue figures may still be slightly optimistic. The 1983-84 budget was a somewhat symbolic document, intended to reassure the population at a time of recession. The Government ceased working with it less than a month after it was published.

According to results also announced yesterday, the Government actually spent only $63bn in 1983-84, although originally it expected to spend $75bn, as in the new budget. It achieved economies mainly by delaying payments to contractors and postponing the start of new projects.

Total revenues for the new fiscal year are forecast at $62bn. No breakdown for this figure has been published but, in rough terms, its components are likely to be: oil $41bn; income from assets held by the Saudi Arabian Monetary Agency (Sama) (the Kingdom's central bank) $13bn; gas sales $4bn; and domestic revenues $4bn. The deficit of $14bn will be met by drawing down Sama's assets.

The largest areas of spending are defence, which is allocated $23bn, and "miscellaneous expenditures," including foreign aid, which receive about $10bn. The amount allocated to domestic subsidies, which the Government would like to reduce, is $3bn – a marginal increase on last year's sum.

The new budget is more likely than its predecessor to be implemented as planned because the state is receiving higher oil revenues than at this time last year. Production now is running at more than 4.5m barrels a day, compared with only 3m b/d in March 1983.

The Finance Ministry has also built into its calculations a bigger drawdown of reserves than it did last year – $13bn compared with $10bn.

In order to give it the revenues it expects, the Government may be assuming that oil output will increase slightly as the world economic recovery continues.

Socialists in Belgian strike call

By Paul Cheeseright in Brussels

THE BELGIAN Government's new three-year austerity programme has run into union opposition with the Socialist union grouping calling for a general strike tomorrow.

The programme was rushed through parliament on Saturday prior to the expiry of the Government's special powers to organise economic reform by decree.

The effect of the strike call is unclear because the Christian union grouping is divided in its attitude to the Government plans, thus eroding the possibility of a united union front against the Government.

Demonstrations and strikes have been taking place sporadically across the country. Production has stopped at Cockerill-Sambre, the state-owned steel producer with its main plants at Liège and Charleroi, and will not resume until Wednesday at the earliest.

Although the Cockerill-Sambre stoppage is tied to the austerity programme, it is also linked to the certainty of layoffs and an effective 10 per cent pay cut. Failure of management and unions to agree on the wage moderation led the Government to pass a decree to bring it into effect as part of the Saturday measures.

CONTENTS

OVERSEAS NEWS

Honduran defence chiefs ousted

By Tim Coone in Managua

Gen. Gustavo Alvarez Martinez, the head of the Honduran armed forces, and three other top military commanders have been ousted and forced to leave the country by President Roberto Suazo Cordoba.

Speaking on national television and radio on Saturday night, the President said that the move had been taken to "safeguard the constitution" in Honduras and would have "positive repercussions in favour of democracy and peace," reiterating Honduran support for the Contadora peace process.

The only Chief of Staff remaining in his post is the head of the Air Force, Gen. Walter Lopez.

Gen. Alvarez was widely considered to be the "strong man" in Honduras and his hard-line, anti-Communist stance both on foreign policy and in dealing with internal opposition made many politicians both in opposition and within the ruling Liberal Party fear for the future of the fragile civilian Government.

Dr Sergio Ramirez, one of Nicaragua's three-man ruling junta said that Nicaragua was watching the situation "with interest." He said that Gen Alvarez, as head of the Honduran armed forces, had given constant support to Nicaraguan counter-revolutionaries and was closely linked to the U.S. military build-up in Honduras.

Both the U.S. Ambassador in Honduras, Mr John Negro Ponte, and the Honduran Government, have confirmed that a new series of joint military manoeuvres code-named "Granadero 1" between units of the U.S. and Honduran armed forces, are to go ahead as planned from April 1.

Reuter reports from San Salvador: Gunmen shot dead a conservative Salvadorean columnist and former member of the Government's Central Election Council, officials said. The killing of Dr Rafael Hasbun was carried out on Saturday night, three days after a right-wing death squad threatened to kill Election Council officials for the disorganisation which marked last week's Presidential elections.

Industrialised nations' pact urged

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

THE SEVEN major industrialised countries should agree on a political and economic strategy for the rest of the decade at their summit in London this June, according to a report to be discussed today at a meeting of the Trilateral Commission in Washington.

The main authors of the report are Dr David Owen, leader of Britain's Social Democratic Party, Mr Zbigniew Brzezinski, presidential adviser on national security affairs during the Carter Administration in the U.S., and Mr Saburo Okita, former Japanese Foreign Minister.

The Trilateral Commission is a discussion group of prominent politicians, officials, businessmen and academics from North America, Japan and Western Europe.

The report urges that the U.S., Japan, Canada, West Germany, France, Italy, and the UK should take as their objective at the London summit the development of a package of trade-offs in both the political and economic fields.

The authors stress the need for a balanced package in which each government agrees to take actions it might prefer to avoid, in return for the advantages which the actions taken by other governments will bring to it.

In particular, the report proposes that the U.S. should take urgent action to reduce its budget deficit.

It says the remaining barriers to genuine free trade in Western Europe and to public procurement in the cheapest European market must be swept aside and subsidies to older industries must be phased out more rapidly to encourage technological development.

It also says moves should be made in Europe towards a shorter working life for those in employment.

The report recommends that Japan should expand its economy at a faster rate, should become a steady and significant exporter of capital and should increase its assistance to Third World countries.

It says the major industrialised countries should co-ordinate plans for sustained economic growth and for their exchange rates: the cost of defence should be more equally shared between the U.S. and its allies, with the latter strengthening their conventional forces.

The report argues that the initiative should be taken at the London summit, as the first of a series of policy summits, while a Nato meeting of heads of Government should occur in early 1985 to confirm new forward defence commitments.

Summits and their uses, Page 17

Savimbi renews peace call

By Our Own Correspondent in Jamba, Angola

ANGOLAN guerrilla leader Dr Jonas Savimbi has renewed his call for peace talks with the avowedly Marxist leadership in Luanda. However, at a news conference here on Friday, he said he would carry his anti-government campaign from the bush into Angola's cities if the peace offer went unheeded.

While his proposal for the formation of a government of national unity, composed of his Unita party and the ruling MPLA has been made before, it was the first time Mr Savimbi has made the suggestion in the context of regional peace efforts, sponsored by the U.S., involving Namibia's independence and a Cuban withdrawal from Angola.

Dr Savimbi said that, without Unita's inclusion in the peace moves, there would be no settlement in Namibia. South Africa has made the withdrawal of Cuban forces from Angola a precondition for granting independence to Namibia, and Dr Savimbi argued that the Cubans, who provide vital support to Government forces in Angola, would not leave until the MPLA leadership and Unita had reached an accommodation.

The news conference, attended by a large contingent of South African newspaper editors, could not have been held without direct South African approval since the charter plane that brought many correspondents began its journey in South Africa and overflew South African bases in Namibia on its way.

Jamba is located in a remote corner of south-eastern Angola, 850 miles from Luanda, but only about 100 miles from the border of Zambia and Namibia.

Dr Savimbi's threat to carry the war into the cities followed an attack last month on the coastal town of Sumbe, 200 miles south of Luanda, and 700 miles north-west of here, which he claims his forces briefly occupied.

Fresh Sikh violence breaks out despite Gandhi initiative

BY JOHN ELLIOTT IN NEW DELHI

THREE WOMEN were killed and 23 other people injured by Sikh terrorists near Amritsar yesterday less than 24 hours after the Indian Government launched a new initiative to solve Sikh unrest in the northern state of Punjab.

The Government offered to consider ways of amending Article 25 of the Indian constitution as requested by the Sikhs to give their sect a more distinct identity.

This was regarded in India as a major initiative and was widely welcomed by moderate Sikh activists, including Sant Harchand Singh Longowal, the president of the Akali Dal, the Sikh's main political party. A series of protests planned to start today were cancelled.

But terrorists continued their violence and killed the three women when they threw hand grenades into a building in a town near Amritsar owned by the Nirankari sect. This group has been under attack for its more relaxed approach to the Sikh religion for some years by militant fundamentalists led by Sant Jarnail Singh Bhindranwale.

In other attacks over the weekend a woman was attacked and a car driver assaulted and robbed in the Punjab. An office building in Amritsar housing university staff was also set on fire, apparently in retaliation to the Government last week banning the All-India Sikh Students Federation.

● The Indian government plans to invoke a law enabling the armed forces to break a national dock strike that has paralysed the country's trade for 17 days, a senior port official said today, Reuter reports from Bombay.

Union leaders left New Delhi during the weekend after a breakdown in pay talks with the government to end the strike which has shut India's 10 major ports, stranded more than 200 ships and deprived industry of imported raw materials.

Brazil's leader rejects poll demands

By Andrew Whitley in Rio de Janeiro

JOAO FIGUEIREDO, President of Brazil, has firmly rejected Opposition demands for his successor to be elected through a direct plebiscite later this year or early in 1985.

In a speech on Saturday marking the 20th anniversary of the military coup in Brazil, Gen Figueiredo said direct elections were "inopportune" at the present time. He defended the political legitimacy of the Electoral College, selected on the basis of the November, 1982, national elections, due to choose his successor next January.

The President's only concession to the growing national clamour for presidential elections was a proposal to introduce a constitutional amendment permitting a direct poll some time in the future. He suggested a two-round system but gave no date for when this would come into effect.

The speech was given a lukewarm reception by Opposition leaders but praised by the three leading candidates for the presidency from the officially-backed Partido Democratico Social.

The anniversary of the military coup which ushered in six successive military-led Governments was marked quietly by the armed forces.

Greeks unmoved by Weinberger

BY ANDRIANA IERODIACONOU IN ATHENS

THE GREEK Government is committed to closing the four U.S. military bases in Greece because it believes they do not serve the country's defence interest, Mr Antonis Drosoyiannis, the alternate Defence Minister, said in Athens after weekend talks with visiting Mr Caspar Weinberger, the U.S. Defence Secretary.

Senior U.S. officials travelling with Mr Weinberger had indicated at the start of a three-day visit to Greece last Friday that the Defence Secretary intended to seek assurances on the future of the bases from Dr Andreas Papandreou, the Prime Minister. Dr Papandreou has said the U.S. bases will go when the five-year agreement on their operation, signed in September of 1983, expires.

But according to Greek and U.S. officials, the talks between Mr Weinberger and the Papandreou Government were dominated by the intra-Nato disputes between Athens and Ankara. These have disrupted alliance exercises in the Aegean and are delaying the establishment of a new Nato command headquarters in northern Greece.

David Barchard reports from Ankara: In an effort to woo public opinion in Western Europe and North America, Mr Turgut Ozal, the Turkish Prime Minister, has announced plans to investigate complaints over human rights violations in Turkey and is to lift visa requirements for Greeks visiting Turkey.

Relatives of prisoners staged the first demonstration in Turkey since the 1980 coup outside the building as the Prime Minister spoke.

Nato defence ministers meet

CESME. – Nato defence ministers are to meet in the Turkish Aegean resort of Cesme tomorrow for their six-monthly Nuclear Planning Group discussions.

After last year's public agonising – including mass demonstrations in Western Europe – over deployment of cruise and Pershing-2 nuclear missiles, Nato officials say they hope attention will now drift away from the planning group.

They are billing this week's session as a low-key affair at which no decisions are required. The final communique has already been drafted and will be the shortest ever, they say.

The only "live" nuclear issue of whether or not the Netherlands will deploy some or all of its quota of 48 cruise missiles is not on the agenda.

"It is bound to come up in bilateral talks between the Dutch Minister and his colleagues in the margins of the Cesme meeting, but Nato has a knack of avoiding formal discussion of this sort of sensitive issue," a senior official said.

At the previous Nuclear Planning Group meeting in Montebello, Canada, ministers decided in principle to withdraw 1,400 out of a total of 6,000 nuclear warheads from Europe, crowning a four-year review of Nato's short-range atomic weapons by a high level group of senior officials.

Gen Bernard Rogers, of the U.S., Nato's supreme commander, resisted the original decision to withdraw the warheads and has instructed to choose which should be removed. Officials say he is taking his time and does not plan to submit proposals until next year.

The 14 ministers – from all Nato countries except France and Iceland – will open the meeting with the usual "threat briefing" by Mr Caspar Weinberger, U.S. Secretary of Defence, on new nuclear weapons developments in the Soviet Union. Reuter

U.S. Customs officers seize chemicals bound for Iraq

BY TERRY DODSWORTH IN NEW YORK

U.S. Customs officers in New York have seized chemicals destined for Iraq on the grounds that they could be used to manufacture nerve gas for use in chemical warfare.

The seizure, at Kennedy Airport, is the first action taken in the U.S. since the announcement that the Government was imposing strict conditions on the sale of five chemicals to both Iraq and Iran. The U.S. has accused Iraq of using chemical weapons in its war with Iran, and has also claimed that it has employed mustard gas.

According to Customs officials, 74 drums containing 1,100 lbs of potassium fluoride was involved in the proposed shipment for Iraq from Kennedy International Airport.

Potassium fluoride can be used to manufacture the nerve gas called GB or sarin, a particularly potent weapon which is stocked by the U.S. Army.

Administration officials said last week that they did not believe U.S. companies had been the source of materials used in the manufacture of the Iraqi mustard and nerve gases.

Reuter adds: Iran said 16 people were killed and a number of others injured during an air raid by three Iraqi planes on Saturday on the Iranian border town of Gilan Garb, north-east of Baghdad.

The Iranian national news agency Irna, said several houses were destroyed in the raid.

First step on route to CAP reform

BY IVO DAWNAY IN BRUSSELS

THE SOUND and fury echoing across Europe this weekend clearly shows that the EEC farming community believes the new deal on agricultural prices and reforms signifies something.

As a stalwart of Brussels' anti-farming lobby remarked: "If the farmers really hate it that much, it can't be all bad."

But scepticism over the agreement remains. How much, for example, will the package help fulfil the objective of reining in a budget that currently accounts for two-thirds of all Community spending? What else needs to be done? And can the agreed reforms stick?

It may be months if not years before clear answers to these questions emerge. Much will depend on the political will of the reforming countries — the UK, the Netherlands and Denmark — to pursue further unpopular improvements next year.

The two most crucial achievements of the deal are largely philosophical ones.

First, it acknowedges for the first time in the 20-odd years since the operation of the Common Agricultural Policy (CAP) that demand must play a part in the equation balancing farmers, consumers and Community interests.

The second hard reality for the farmers is that real cuts in product prices, the first on any scale since the foundation of the CAP have now been agreed by the Ten.

But these concessions have been won at a price of substantial dilution of the original Commission proposals.

The restraint on milk production from a projected 108m to 99.5m tonnes, for example, has fallen far short of the original 97.2m tonnes a year target, itself a surplus of more than 10m tonnes on actual Community demand. To win that agreement, M Michel Rocard, the French president, had to hand out substantial concessions.

The Irish won a substantial exemption of almost 1m tonnes, with the possibility of more to come, and the Italians, Luxembourgeois and Ulster farmers also received additional tonnages.

The West Germans' rearguard defence of cereals interests was satisfied with an exemption for rye from an overall 1 per cent cereals price cut; the ceilings for guarantees on Greek sultana, dried grapes and cotton production were raised. The UK maintained its cherished variable beef premium (though cut by 20 per cent) and France has been allowed an unprecedented right to provide national subsidies for wine storage.

But there is a price to pay. Commission estimates priced the package at less than Ecu 1bn on top of the Ecu 16.5bn budget. However, failure to agree to an oil and fats tax, and unfavourable world prices are already expected to add a further Ecu 2bn this year.

Financing this may well mean applying to member states for emergency funds — a move that the UK for one will oppose if there is no resolution to the budget rebate problem.

Furthermore, there remains substantial scope for interpretation of the new accords.

Despite these reservations, last weekend's deal is at least a step along a route that Europe's steelmakers, shipbuilders and miners have already been treading for several years.

Editorial comment, Page 16

THE New Zealand Government has refused to re-sign an agreement limiting its shipments of lamb and mutton to the EEC as a tactic in its fight for an agreement on European access for New Zealand butter, Dai Hayward writes from Wellington.

New Zealand's agreement to voluntary restraint on sheep meat exports expired on Saturday. The New Zealand Minister of Overseas Trade said progress on butter would be a condition for renewal of the meat pact.

Spanish plea to Nissan

By Kenneth Gooding, Motor Industry Correspondent, in London

THE SPANISH Government has asked Nissan of Japan to ease back output of its four-wheel-drive Patrol which went into production in Spain just over a year ago.

According to Mr Teiichi Hara, Nissan's executive managing director in charge of exports, the Spanish authorities want to protect the other local producer of light, all-wheel-drive vehicles, Land Rover Santana.

He suggested that Nissan's efficiency of production had enabled the Patrol to take a 50 per cent share of the Spanish market for such vehicles.

Land Rover Santana is 49 per cent owned by BL of Britain but imports relatively few components from the UK. Santana's output has been falling: last year's final figures are not available, but in 1982 the company produced 11,154 vehicles against 12,910 the previous year.

Imports of vehicles – from Lada of the Soviet Union, Aro of Portugal and the "G" wagon from Austria's Steyr-Daimler-Puch – make up the rest of the all-wheel-drive market in Spain.

The Patrols are being built by Motor Iberica, the company in which Nissan has invested Pta 11bn ($74m) and has a 70 per cent shareholding.

Nissan was building up to a production rate of 15,000 a year of which 8,000 to 10,000 would be for export.

Prices deal angers Euro-farmers

BY OUR EUROPEAN CORRESPONDENTS

PREDICTABLY, the French farmers' union criticised the farm price agreement which gives France an average price increase of 5 per cent, Paul Betts writes from Paris.

The organisations were quick to point out that inflation this year was expected to run at a rate of more than 7 per cent in France (despite the Government's official 5 per cent target for 1984).

But the fact that farm ministers succeeded in reaching an agreement was seen as an important boost for France's current efforts to find a solution to the EEC crisis during its presidency of the Community.

However, government officials remain extremely cautious over the outcome of the next rounds of negotiations on the financial issues dividing the Community.

James Buchan writes from Bonn: The West German Finance Ministry appeared pleased at the first sign of European spending discipline.

But German farmers, who reacted with considerable anger to the outlines of the plan agreed two weeks ago in Brussels, are looking firmly to Bonn to make up their losses above all from the Franco-German deal to start dismantling the intricate system of border subsidies—known as "positive" Monetary Compensatory Amounts—which have so far protected German farm exports from D-mark appreciation.

The farmers' federation said on Saturday that the whole package could cost the German farmers from 12 to 15 per cent in income. However, the Bonn Agriculture Ministry confirmed at the weekend that DM 1.8bn (£480m) would be available for the farmers in 1985, the first year when German farmers will feel the pinch of the dismantling of the MCAs.

Brendan Keenan writes from Dublin: The EEC deal on Irish milk production, which will allow output to grow by 4.64 per cent this year, has been criticised sharply by Opposition spokesmen and farming leaders but defended by the Prime Minister, Dr Garret FitzGerald.

The Opposition leader, Mr Charles Haughey, described the agreement as a major setback for Ireland which would have "disastrous implications" for the dairy industry. He said the industry, whose productivity is below European averages, would now never have the opportunity to reach its full potential. Farming leaders also criticised the deal and said Irish milk production was set to rise by over 7 per cent this year, which would mean Irish farmers having to pay over I£20m in levies on the surplus production.

The main criticism of the deal has centred on the uncertainty over future years. Dr FitzGerald's central argument has been that Ireland should be allowed annual increases of about 5 per cent until productivity levels reached the European average. Dr FitzGerald admitted it would be difficult to secure a significant increase next year but claimed that, over five years, Ireland would secure further improvements.

Walter Ellis writes from Amsterdam: The Dutch Government is angy about the latest farm prices deal, but Mr Gerrit Braks, the Agriculture Minister, is said to be relieved that at least a package or sorts was agreed before the expiry of the 1984 deadline.

Under the terms of the Brussels Pact, the Netherlands has to reduce its production of milk by 1m tonnes, or 7.5 per cent of its 1983 total. Excess production will be penalised by the European Commission at a rate of 56 guilder cents per kilo of extra milk.

Nevertheless, Mr Braks now feels that the fight is over and that the Netherlands should not stand in the way of inplementation.

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China moving to ease terms for oil exploration bids

BY MARK BAKER IN PEKING

CHINA IS preparing to open the second stage of bidding for its offshore oil exploration, and it has hinted that the terms will be easier for foreign oil companies.

China National Offshore Oil Corporation (CNOOC), the Chinese authority in charge of exploration, is revising the "model contract" on which all investors based their bids in the first stage.

The president of CNOOC, Mr Qin Wencai, said the terms of the model contract, including the "way of dividing economic shares and legal articles," would be readjusted and improved in the light of first round bidding last year.

He said the second stage bidding would begin as soon as the new model contract was ready — suggesting it will begin ahead of the expected deadline of early next year.

China is opening up the exploration of offshore oil on the basis of initial seismic surveys of an area of about 150,000 sq km in the South China Sea and the South Yellow Sea.

A total of 27 foreign oil companies signed 18 contracts covering about 39,000 sq km of lease area in the first stage.

There was controversy in the first stage bidding over the tough terms of the model contract. Companies were required to make a £1m signature payment and bear all exploration costs and meet a fixed drilling schedule. The Chinese kept the option of taking a 51 per cent stake in the development company in the event of any discoveries.

Beyond these terms companies had to compete strongly on the "X-factor" — the division of profit on any oil produced, after the Chinese took a 17.5 per cent royalty.

Some industrial officials believe China will have to moderate its terms if it is to attract active participation for second stage bidding.

They say some companies which bid boldly to secure promising blocks are now anxiously awaiting the early results in the 50 exploratory wells scheduled to be drilled this year. Two wells drilled so far in the South China Sea by the BP-led consortium—the first to win contracts in the first stage—failed to produce significant quantities of oil or gas.

Total, which has been exploring in the Beibu Gulf, is one company believed holding out for a renegotiation of a too tough initial contract before agreeing to proceed with developing its discoveries.

Mr Qin said discussions were continuing with Total and the Japan National Oil company, which has explored on the Bohai Sea, about developing their discoveries.

Agreement was expected late this year or by the beginning of 1985, Mr Qin said.

BRITISH industrialists and bankers are spending two weeks in China to identify trade and investment opportunities, our trade staff writes. Led by Sir Peter Matthews, president of the Sino-British Trade Council and chairman of Vickers, the delegation is to visit Beijing, Tianjin and Shanghai.

The UK had only 1 or 2 per cent of Chinese orders, and faced increasing competition from Japan, the U.S., West Germany and France.

The mission includes executives from Lucas, Thorn-EMI, Hawker Siddeley International, Blue Circle, Humphreys and Glasgow Simon Engineering, the coal mining equipment companies Gullick Dobson and Anderson Strathclyde, and merchant bankers Morgan Grenfell and Samuel Montagu.

SHIPPING REPORT

Freight rates pick up

BY ANDREW FISHER, SHIPPING CORRESPONDENT

FREIGHT rates for key industrial commodities like coal, iron ore, and grain picked up considerably last week in response to increased economic activity worldwide. "All markets have gained momentum," said UK shipbroker Denholm Coates.

This more buoyant view was shared by Simpson, Spence and Young Shipbrokers, who talked of "a welcome boost" for the industry with rates at levels not seen for some years. Rising steel output has helped fuel the upturn.

Demand for large bulk carriers over 100,000 dwt has risen, mainly for transport of iron ore. Time-charter rates for 120,000 dwt ships for a year have reached $2.15 to $2.25 per tonne per month, some 50 per cent more than a year ago.

Across the Atlantic, rates for grain shipments from the U.S. Gulf to continental Europe were $10.75 a tonne compared with $8.25 at the start of the year. The Soviet Union is believed to have taken up to 20 vessels on single trips to import grain.

Denholm also said inquiries for grain ship charters from Australia increased last week. Higher chartering by Iran for imports of coal, grain, and iron ore is foreseen in coming weeks.

The continued tension in the Gulf area did not show through in high tanker rates last week. Owners were hard pressed to find work for ships in the area, though the Iraqi attack on a Greek tanker could have boosted rates if more business had been available.

World Economic Indicators

INDUSTRIAL PRODUCTION
(1975 = 100)

					% change over previous year
	Feb. '84	Jan. '84	Dec. '83	Feb. '83	
U.S.*	159.9	158.0	156.1	138.1	+15.8
	Jan. '84	Dec. '83	Nov. '83	Jan. '83	
UK†	103.6	102.9	101.8	99.5	+4.1
Japan†	110.9	110.1	109.3	100.9	+9.9
W. Germany	118.3	118.4	116.3	109.3	+8.2
France	116.1	117.4	117.3	112.6	+3.1
Italy	119.3	117.0	119.6	117.1	+1.9
Netherlands	112.1	109.7	109.2	103.2	+8.6
	Dec. '83	Nov. '83	Oct. '83	Dec. '82	
Belgium	114.2	118.0	116.7	106.6	+7.1

* 1967 = 100 † 1980 = 100
Source (except U.S., UK, Jpan): Eurostat

Washington gives boost to Brazilian steel wire

By Andrew Whitley in Rio de Janeiro

THE export-orientated Brazilian steel industry, hit by a wave of anti-dumping import surcharges by the U.S., its most important market, received its first good news for months over the weekend.

Surcharges of 75 per cent on the value of steel wire exported to the U.S. are to be virtually eliminated. A formal announcement is expected from the U.S. Commerce Department by tomorrow.

The decision, which benefits a relatively small proportion of the Brazilian steel sold to the U.S., was announced by Sr Joro Camilo Penna, the Brazilian Commerce Minister at the weekend following talks in Sao Paulo with Mr Lionel Olmer, the U.S. Deputy Commerce Secretary.

According to the Gazeta Mercantil, a leading business daily, the additional duties will be eliminated in the case of Cosigua, a major private Brazilian steel company, and reduced to only 7.4 per cent for Belgo-Mineira, a subsidiary of the Belgian steelmaker Arbed.

The agreement marks the first formal recognition by the U.S. in the often difficult bilateral steel negotiations of recent months, of the validity of the Brazilian argument that its steel export costs have been altered significantly by the February, 1983, maxi-devaluation.

Sr Camilo Penna was hopeful that the important heavy steel plate exported to the U.S. by Brazil's major state-run steel companies would also benefit from this apparent softening of the tough U.S. line. Negotiations with U.S. Commerce Department investigators, looking into charges of subsidy, are expected here over the coming two months.

Before then, however, a U.S. official told the Gazeta Mercantil, the Brazilian business publication, that there would be "bad news" for Brazilian exporters of hot and cold rolled steel, which make up over half of the country's steel exports to the U.S. He warned that within the next few days heavy penalties would be applied to these Brazilian products by the U.S.

Nancy Dunne in Washinton adds: Mr Olmer also urged Brazil to increase imports in order to spur productivity and restore domestic economic health.

Speaking at the conference on U.S.-Brazilian trade in Sao Paulo he warned that "the brunt of Latin America's economic adjustment cannot be borne much longer by trade accounts."

U.S. imports from Brazil rose 58 per cent from $3.1bn in 1979 to $4.9bn in 1983. In 1983 alone they rose 17 per cent, accounting for about 56 per cent of Brazil's total expansion in exports.

The International Monetary Fund has required Brazil to cut imports to help reduce its international debt burden.

"Although your exports should continue to improve as demand increases in the industrialised world, there are indications that current low levels of imports may impede efforts to pursue economic adjustment goals in an orderly way," Mr Olmer warned.

"Import contractions which cut into the core of a country's productive sector will ultimately undermine efforts to restore domestic economic health and the country's ability to earn its way out of debt."

While in Sao Paulo, Mr Olmer witnessed the signing of preliminary contracts between the Brazilian Government and the two U.S. companies.

Nancy Dunne explains Washington's worry over export aid

U.S. set for battle on mixed credits

THE U.S. has shelved for the time being any hope of ending the use by foreign governments of mixed credit financing for exports.

Instead, it will press for some adjustments to mixed credit guidelines when it meets other foreign finance officials in Paris on April 9.

At the meeting, being held under the umbrella of the Organisation for Economic Co-operation and Development, the U.S. will propose measures that will make the use of concessional aid funds more expensive for countries competing with the U.S. for international contracts.

At the same time, it will emphasise its own commitment to use mixed credits to win deals. Eximbank officials point out, however, that such steps will be taken only to counter mixed credit offers made first by foreign countries — such as France — which the U.S. regards as a particular problem.

One of the measures the U.S. will propose will be for an increase in the minimum aid component in mixed credit deals to between $25-$30m (£17.8m-£21.4m) from the current minimum of $20m-$25m.

A bank official said that the increase in the aid factor will serve to increase the distinction between aid and commercial financing.

The Export-Import Bank, which has traditionally opposed mixed credits at OECD meetings, has already succumbed to pressure from Congress and U.S. exporters who complain that their foreign sales are being undercut by competitors who tie concessional aid programmes with commercial financing.

This practice allows them to put together finance for foreign contracts at abnormally low rates of interest.

Congress last year passed legislation requiring the bank to work with the Agency for International Development (Aid) to establish a mixed credits programme.

Two preliminary mixed credits packages have been proffered in the past month to show that the U.S. is prepared to join the battle.

Described as "polite messages to the French" by an Eximbank official, the credits were offered only after mixed financing had been offered by the French for the same projects.

For the moment, the Aid agency, which equally opposed mixed credits, has refused to go along with the two offers. If the bids are accepted without the support of the agency, then the Eximbank will be forced to finance the deals at a loss.

The Eximbank has plenty of money to spend on mixed credits. Of the $2.8bn budgeted for direct credit financing through fiscal 1984, only $421m have been spent because the demand for U.S. export financing has been so poor.

The bank's first such bid was in support of a sale of high-technology machine tools produced by Cincinnati Milicron to P. T. Nurtanio, an Indonesian aircraft manufacturer.

The financing package would cover 100 per cent of the purchase price with an interest rate of 6.5 per cent and a 20-year repayment period, following a 13-year grace period. This would be at about 3 per cent below normal commercial rates.

The second subsidised credits would go to promote the sale of digital switching system to Cyprus Telecommunications Authority of Nicosia, a Government-owned utility. The packaging, in support of a sale by the Stromberg-Carlson company of Florida also covers 100 per cent of the purchase price, estimated at $25m.

A trade sub-committee of the President's committee of inquiry on international private enterprise is expected to recommend in June that the U.S. establish a special mixed credits fund of at least $500m and possibly as much as $1bn.

The fund would be used to demonstrate to France and other competitors that the U.S. is truly serious about fighting fire with fire.

S. Korea hits trade barriers

By Ann Charters in Seoul

A SENIOR Korean Government official has criticised the growing trend towards trade protectionism, especially in the U.S., which could cause the world economic recovery to falter.

Mr Shin Byong-Hyuns, the deputy prime minister, said at the weekend that the U.S. currently has 16 anti-dumping charges levelled against Korean products.

Mr Shin acknowledged that many countries felt that Korea should graduate from the special non-tariff status that it shares with less developed third-world countries. But he said such a move would be premature.

Korea remained committed to liberalising its imports policy in the next few years despite annual deficits in its current account. Korea was not, Mr Shin indicated, a second Japan in that Korea has never accumulated substantial long-standing surpluses in trade relationships with other countries.

With regard to direct foreign investment, significant liberalisation is to be evident beginning in July 1984, he indicated, when revised policies allowing foreigners to invest in industries not on a "negative list" are to take effect. The industries as well as the rules for automatic approval are currently being finalised.

Last year, Korea approved foreign investments totalling $267m.

Korea's growth in GNP, at 9.3 per cent last year, was due in large measure to increased exports. The Government's target for this year is 7 to 8 per cent real growth in GNP.

Pakistan, Germany to strengthen trade ties

BY MOHAMMED AFTAB IN ISLAMABAD

WEST GERMANY is likely to emerge as a key source of foreign private investment in Pakistan during the current $37bn sixth plan.

The sixth plan 1983-87, provides an industrial investment of $6.1bn. Of this $4.6bn, or 75 per cent, is projected to be made by private business, while the remaining 25 per cent, or $1.5bn will be invested by the state sector. Many Pakistani and foreign businessmen, however, doubt it will be possible, given the continuing tight regulation of the economy, on which the bureaucracy is not yielding ground, in spite of repeated directives by President Gen Mohammed Zia ul Haq.

The indication of a sizeable West German private investment came yesterday from Dr Jurgen Warnke, Minister for Economic Co-operation, after discussions with Finance Minister Ghulam Ishaq Khan, and other local economic officials.

Herr Warnke said in an interview, his countrymen want to establish industries in Pakistan "in view of its good investment climate and political stability." He based his hopes on agreements which Bonn and Islamabad have, for avoidance of double taxation, and for protection of foreign private investment capital.

Besides the Pakistani market itself, German industries may also establish a production base here to feed the vast Middle East and the Gulf markets.

They are also expected to go along the priorities set by the sixth plan, which include expansion vocational training facilities, building of infrastructure, energy, transport, telecommunications, and chemical plants for possible joint ventures.

Pakistan has also urged Bonn to import more. In 1982-83 imports from Islamabad totalled $121m, while Bonn exported $206m goods to Islamabad in the same year.

Herr Warnke pledged that Bonn will "press hard" for a freer trade between the industrialised nations and the developing countries, at the June summit of western nations at London.

The bilateral discussions also dealt with aid flows. Pakistan received $63m in German aid in 1983-84. Any significant increase in the amount is not foreseen.

Herr Warnke, however, seems to have assured Islamabad that in spite of the continued restraints on the German aid budget, and a slowdown in new commitments, "we will do our best to see that curbs are not really transferred to Pakistan," said Herr Warnke.

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Shortages worry consumers of steel

By Ian Rodger

STEEL consumers in Britain are showing growing unease over reports of delivery bottlenecks and indications that the British Steel Corporation (BSC) will attempt to raise prices again in the third quarter.

Concern will be heightened if the coal strikes in the UK begin to affect BSC's ability to fulfil customer orders.

Steel consumers' representatives are lobbying in Brussels for BSC to be allowed to produce more steel. But European Commission officials are very reluctant to raise production quotas. Both last year and in 1982, EEC steel prices collapsed in the second half as a result of overproduction.

Steel producers are anxious to see prices continue to recover from what they consider to be inadequate levels. BSC, for example, is still losing over £2.5m a week inspite of its massive reduction of overheads and the fact that, until the miners' strike, it was operating all its plants at very high levels.

The most alarming reports of shortages come from consumers of high quality plate for use in offshore oil platforms. One steel fabricator, Motherwell Bridge, said it was having to wait four months for deliveries from BSC.

BSC has refused to comment, but the corporation may have a technical problem in its plates division. Last Friday, it emerged that Shell Oil had cancelled an £18m order with BSC for heavy pipe made from plate, claiming that the quality was unacceptable.

Concern about deliveries of strip mill products is also beginning to be heard. Large consumers, such as the car manufacturers BL and Ford, say they have no worries, but smaller ones are not so confident.

The basic problem in the West European steel industry continues to be excess capacity. In January, the European Commission imposed minimum prices in an attempt to wipe out competitive discounting and the system has had considerable success. BSC's prices have probably increased by an average of 3 to 5 per cent since December.

The minimum levels are being raised by 2 to 3 per cent today, but it is unlikely that the commission will agree to raise them again.

CBI optimistic over outlook for manufacturing

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN'S manufacturing industry provides the most optimistic evidence for five years that recovery has taken root and will continue well into 1985, according to a Confederation of British Industry survey.

The March survey of 1,800 companies suggests that orders and export prospects are at their best levels since 1979, with improvements in output more widespread than at any time for eight years.

It indicates that the pressure on prices remain moderate, and the CBI expects only a very small pick-up in the inflation rate by the end of next year.

The confederation is now more optimistic than the Treasury about prospects for manufacturing output in the next two years. In its latest forecast, also issued today, the CBI has projected a more rosy picture of economic prospects generally.

The CBI has abandoned the pessimistic view set out in its November forecast that recovery would fade this year as the consumer boom came to an end, without a significant pick-up in investment.

It now expects further increases in consumer spending with parallel rises in exports and a sharp boost in investment from the recent very low levels. The March survey produced encouraging evidence that companies making capital equipment were continuing to share in the recovery.

Sir James Cleminson, deputy president of the CBI, said the results indicated that "manufacturing output is picking up quite rapidly and the whole economy should continue to grow well into 1985."

The CBI's latest forecast suggests that the economy will grow by about 2¼ per cent this year and 2 per cent next year, with the inflation rate first falling a little then rising slightly to 5¾ per cent by the end of next year.

However, the CBI believes that unemployment will rise to an underlying total of 2.95m by the end of this year, about 50,000 more than at the end of 1983.

Despite an accelerating growth of manufacturing output, from 1½ per cent last year to about 3½ per cent this year, the CBI expects a continuing fall in the number of jobs provided by the sector.

Short Brothers likely to sign Tucano deal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SHORT Brothers of Belfast, state-owned aircraft manufacturer, is expected to sign a collaborative agreement soon with Embraer of Brazil to build the Brazilian company's Tucano basic trainer in the UK. The deal is dependent upon the RAF deciding to purchase the aircraft.

The RAF is studying four types of aircraft to find a new basic trainer to replace its fleet of Jet Provosts. An order for over 150 aircraft, worth about £200m, is planned. The four competing aircraft are the Tucano, the Swiss Pilatus PC-9, the Australian A-20 and the British-designed Firecracker.

The pact between Short Brothers and Embraer follows an agreement announced recently by British Aerospace and Pilatus under which British Aerospace would build the PC-9, if that aircraft were selected.

The Ministry of Defence is insisting that the chosen aircraft must be built in the UK. As a result, the companies have been seeking to set up collaborative agreements.

The Australian Aircraft Consortium, formed to build a trainer for the Australian air force, has yet to announce any deal with a UK company to build the A-20.

Firecracker Aircraft, the UK company which has designed and built the Firecracker, has only limited production facilities and is looking for a partner. It has been holding talks with Westland of Yeovil, Somerset, but nothing has been settled.

Laura Ashley to offer stock on market

By Alison Hogan

LAURA ASHLEY is a textile designer who, with her husband Bernard Ashley has built up a £60 million business selling clothes, wallpaper and fabrics in a distinctive rural style. They are planning to bring the company to the market sometime in 1985.

With their ambitious plans for further growth at home and overseas, the Ashleys hope to give the public an opportunity to buy shares in their cottage industry turned successful international business.

The company has grown rapidly since the Ashleys opened their first small shop in Kensington, London, in 1968. They had bought the railway station at Carno, Powys, in Wales and converted it into a textile factory a couple of years earlier.

Today Carno is the Ashleys' main printing and sewing plant for the UK and the distribution centre for their mail order business. Exports today account for about 40 per cent of turnover.

Laura Ashley's European operation is conducted from Helmond, near Eindhoven in the Netherlands and there are shops in France, Belgium, the Netherlands and West Germany.

New headquarters were recently established in Maidenhead, Berkshire, but the Ashleys are now based in Europe and manage the overseas concerns, moving between Brussels and their 18th century Château de Remaisnil in France.

The Ashleys started making home furnishing such as tea towels, aprons and oven gloves, and later moved into clothing. In 1978 they began to build up the furnishings side of the business again. In 1980, they had a tough year with the recession squeezing margins and a weak dollar hitting foreign currency earnings. But the company overcame these problems, and today home furnishings account for about two-thirds of turnover.

Laura Ashley now has its eyes on the United States, where the company first opened shop in 1979 in San Francisco. It now has a chain of 40 shops mainly on the East Coast.

Grieveson, Grant subsidiary to deal in foreign securities

BY JOHN MOORE

GRIEVESON, GRANT and Co., one of the largest stockbrokers in the London securities market, has formed an international dealing subsidiary to take advantage of the newly liberalised Stock Exchange rules for dealing in overseas securities.

The broker has set up a new company, Grieveson Securities, which will start trading on April 9, the day the new rules for trading in overseas securities come into force.

It is the latest in a series of international dealing companies created by broking and stockjobbing firms on the London stock market in the wake of the rules' liberalisation.

The most notable was a joint venture arrangement between Akroyd & Smithers, the stockjobber or market maker, and Rowe & Pitman, the stockbroker, capitalised at £17m.

Quilter Goodison, the stockbroking firm headed by Sir Nicholas Goodison, the chairman of the Stock Exchange, and Cazenove are among the leading stockbrokers who are planning the development of international dealing subsidiaries without so far forming a link with outside partners or other jobbing firms.

Bisgood, Bishop, the stockjobber which recently formed a link with National Westminster Bank, is also considering creating an international dealership. There are believed to be at least six applications for such a move outstanding at the Stock Exchange.

The Stock Exchange Council announced last October that, as a first step in the dismantling of minimum commission scales on transactions carried out in the market, negotiated commissions would be introduced on overseas securities. As part of the relaxation, the Stock Exchange is allowing member firms to create international dealing subsidiaries with limited liability.

Grieveson's new subsidiary is to be headed by Mr Derek Millard, a partner in the firm, who said yesterday: "We cannot afford not to be doing anything that the Stock Exchange is doing. It is a logical extension of our business."

UK NEWS

Dispute delays North Sea oil price accord

BY RICHARD JOHNS

FULL AND final agreement on North Sea oil prices for the second quarter is being held up by a dispute between the British National Oil Corporation (BNOC) and the owners of the Ninian field, operated by Chevron, over the rate for the crude produced from it.

Britoil and London and Scottish Marine Oil have raised the strongest objections to BNOC's proposal that the rate should remain unchanged at $28.60 per barrel. They point out that Ninian has recently been fetching a price on the spot market within 10–15 cents of Brent, the North Sea reference, which has an official selling rate of $30.

BNOC's suppliers and customers accept that the reference should be maintained. But the Ninian partners are determined to bring about a revaluation of their crude and are believed to want a 20 cent per barrel improvement.

On Friday, the buyer-seller rate for Ninian was $29.90–$30.00, compared with $30.05–$30.25 for Brent Blend.

Earlier in the week one trader said that he had concluded deals for both crudes at the same price.

More meetings between BNOC and the companies are planned for this week. A spokesman for the corporation said on Friday that he expected the issue to be "amicably" resolved.

The problem has arisen because oil from British Petroleum's Magnus field, which started production last August, is transported through the Ninian trunk line to Sullom Voe, creating a better quality blend. The system also carries output from Union Oil's Heather field.

Last autumn, the official selling rate for the new Ninian blend was raised 25 cents per barrel. But that only restored the differential created a year ago when Brent became the new North Sea reference and was realigned 25 cents above other North Sea crudes.

The only change proposed by BNOC which markets about one third of North Sea oil on behalf of companies and the Government in respect of its royalty crude, is for crude from the Maureen field, operated by Phillips Petroleum, to be raised from $29.70 to $29.80 per barrel. This is because its quality has proved better than expected since output started last year.

Britoil also pressed for a rise of 10 cents for Beatrice crude from the present $29.30 and is unhappy with BNOC's proposal to leave it unchanged.

Ford launches marketing push

BY JOHN GRIFFITHS

FORD IS launching a series of marketing initiatives – ranging from mailshots to about 400,000 people offering 5.95 per cent finance on any new Ford car, to the release today of Popular versions of the Escort.

The company has also announced the prices of cheaper models of the Orion – the "booted" Escort – to go on sale today, and has cut by an average £200 the prices of existing "upmarket" Orion models.

The new models closely match in price equivalent models in the Escort range, at £5,485 including tax for the 1.3L (£5,421 for Escort 1.3L) and £5,788 for the 1.6L (£5,725 for the Escort 1.6L).

The cheap credit offer is being made through the company's finance subsidiary, Ford Motor Credit. Recipients of the mailshot within the next three weeks will be offered no-deposit, 5.95 per cent finance on presentation to dealers of a non-transferable voucher.

The moves come just ahead of an expected sharp intensification of the new car sales struggle in the UK, as the result of Austin Rover's new Montego saloon launch next month.

● Ford has begun an investment programme worth nearly £25m at its component plant at Basildon, Essex, writes Kenneth Gooding.

It is the second major investment scheme for Britain announced by Ford in a week. The other is an £11m plastic moulding plant for the Halewood facility on Merseyside.

About half the money to be spent at Basildon will go towards production of new aluminium radiators to reduce costs and weight in vehicles, according to Ford.

British Airways prepares for sale

BY LYNTON McLAIN

BRITISH Airways (BA) became a public limited company (plc) yesterday in preparation for a majority sale of shares in the state-owned airline by March 31 next year.

The airline remains in the public sector for the time being. All shares in British Airways plc will be retained by the Government pending the flotation.

The Government is considering letting BA go to market with a substantial capital debt burden. That is likely to be as high as £800m unless the Treasury agrees to write off some or all of the debt before denationalisation.

At the same time, the Government has not ruled out foreign ownership of shares.

BA's capital debt stood at £1.0532bn at the end of the 1982-83 financial year. By the end of the latest financial year last week, it was expected to have repaid about £100m. It is required by the Government to repay a further £160m by the end of the 1984-85 financial year, leaving just under £800m of debt.

The capital debt is guaranteed by the Government as long as BA remains in state ownership. When the offer for sale of shares in BA becomes unconditional, the Government will no longer guarantee to meet any of BA's obligations.

The decision to sell at least 51 per cent of the shares by March 31 next year has been reached in the light of the increasing success of the airline. Lord King, the chairman, has forecast an operating profit of about £250m before tax and interest for the 1983-84 financial year.

Equality code for employers issued

By John Lloyd, Industrial Editor

A CODE of practice for the employment and promotion of members of ethnic minority groups comes into effect today.

The code, which received parliamentary approval in February, imposes no legal obligations on employers beyond those laid down in the 1976 Race Relations Act. But it will be taken into account by industrial tribunals when considering allegations of discrimination. In practical terms, therefore, it significantly strengthens the powers of the Act and of the Commission for Racial Equality (CRE), which has introduced the code.

The code's presumption is that observance of the Act must be an active, rather than a passive, matter. The CRE says that "an organisation can only be certain that it is achieving equality if it has a clear policy and takes steps to ensure that its policy is working."

Mr Clifton Robinson, the CRE's deputy chairman, said: "Continuing high levels of discrimination in employment still exist. We have been aware of them for some time, but we have not been able to reduce them significantly."

The main elements in an equal opportunities policy recommended by the code are:

● Non-discriminatory advertisement and recruitment policies, including the avoidance of unintentional discrimination through specifying unnecessary qualifications which some racial groups may not be able to meet.

● The adoption of "positive action" policies, which ensure equality of opportunity for members of minority racial groups. An example would be training in English language skills.

● "Ethnic monitoring," or record keeping on the progress of minority group members, so that the success or otherwise of equal opportunity programmes may be assessed.

● The establishment of equal opportunity systems, under a senior executive, with a clear policy understood by all. Employers and unions should be ready to discipline employees and members who discriminate, or bring pressure for discrimination.

Editorial comment, Page 16

BUSINESS LAW

The Laker dispute: a case of balancing the national interests

"AT THE root of the conflict are the fundamentally opposed policies of the United States and Great Britain regarding the desirability, scope and implementation of legislation controlling anti-competitive and restrictive business practices."

This is how Judge Wilkey summarised the conflict between UK and U.S. courts concerning the attempt of Laker's liquidator to obtain substantial damages from a number of Iata air companies. They were alleged to have brought about the downfall of Laker Airways by predatory pricing and by preventing the realisation of a re-finance scheme when the company was in difficulties.

The conflict produced the rare and unedifying spectacle of court injunctions shooting across the Atlantic in both directions, first forbidding Laker to prosecute British Airways and British Caledonian in U.S. courts, and then in the opposite direction prohibiting KLM and Sabena from obtaining similar protection from British courts.

It was this last injunction, made by Judge Harold Greene in the U.S. District Court (Civil Action No 83–0416), with which the U.S. Court of Appeals for the District of Columbia dealt on March 6,1984.*

The appeal by KLM and Sabena was dismissed by a majority opinion which contains a very impressive discussion of the issues of concurrent jurisdiction and extraterritoriality, and reaches conclusions with which it is difficult to quarrel.

The UK Court of Appeal made the affirmation of Judge Greene's injunction easy by basing its own prohibition, addressed to Laker in respect of the two British airlines, on the activation by the British Government of its powers under the Protection of Trading Interests Act.

These, as the Court of Appeal said, made the case untriable because the two airlines were prevented from co-operating in any way with U.S. courts.

The U.S. Court of Appeals based its decision, among other things, on the argument that the Belgian and Dutch companies could not obtain the same protection from the British Government.

A softer line

Dissenting from the majority, Judge Starr took a much softer line. He said: "A tempest has been brewing from some time among the nations as to the reach of this country's anti-trust laws, and today's decision strikes a strong blow in favour of what will be viewed by many of our friends and allies as a rather parochial American outlook."

This was, in his view, incompatible with the orderly operation of the two nations' respective judicial systems. He would return the case to the District Court for narrowing of the injunction in a way consistent with the principles of comity to facilitate "the seemly accommodation of sharply divergent and competing national interests."

The narrowing of the injunction which Judge Starr had in mind would prevent KLM and Sabena from seeking in London an order banning Laker's liquidator from prosecuting them in the U.S.

It would not prevent, however, them from asking for a declaratory injunction in the UK courts to establish that they were not liable with a view to the regulations and treaties applying to transatlantic air transport.

Reading between the lines, one can see that the main objective of Judge Starr was to provide time for an out-of-court of political settlement of the whole dispute.

Although the majority opinion strikes a much firmer note in defence of the U.S. courts' jurisdiction over alleged anti-competitive behaviour affecting the American travellers on transatlantic airlines and the overwhelmingly American creditors of Laker Airways, it discloses the same awareness of the need to resolve the issue extra-judicially, possibly by international arbitration.

It states: "... this court has neither the authority nor the institutional resources to weigh the policy and political factors that must be evaluated when resolving competing claims of jurisdiction." In contrast, diplomatic and executive channels could negotiate and reconcile such conflicts.

The opinion focuses attention on the provision of the Bermuda II Treaty† for the arbitration of disputes regarding its terms. It points out that neither the U.S. nor the UK Government has yet invoked its right to call for an arbitral decision on the scope of the immunity from U.S. anti-trust laws which this treaty provides in Article 17.

By affirming the injunction granted by Judge Greene, and depriving KLM and Sabena of a hypothetical and not-too-probable protection by the UK courts, the U.S. Court of Appeals has done all it could do judicially.

Even those who disagree with some of its reasoning regarding the effects doctrine will have to admit that there is much in the opinion's emphasis on the wider problem and on the need to seek a political solution.

It says in a footnote: "It may be that further efforts by the governments of both countries would help resolve the deadlock which appears to be developing to the detriment of the litigants' interests and the ultimate frustration of the national policies of the U.S. and Great Britain.

The majority opinion of the U.S. Court of Appeals also strikes a much more realistic note than many U.S. proposals, which see the solution of the conflicts created by U.S. long-arm legislation in the judicial balancing of competing national interests by the spirit of comity – that is, mutual respect for the law and courts of another country.

The comity concept

I have missed no opportunity to argue that the vague concept of comity, developed by well-meaning judges, is being offered by politicians as a sop and can have the effect only of delaying the solution of the real issue.

The view that comity is irrelevant to the solution of extraterritoriality conflicts was recently endorsed by the Berlin Appeal Court in the Rothman/Morris merger case.

It is, therefore, very gratifying to see this realistic view adopted by a U.S. court. While the dissenting opinion invokes comity, the majority opinion states that the balancing-of-interests approach has not gained more than a temporary foothold in U.S. law.

"Courts are increasingly refusing to adopt the approach. Scholarly criticism has intensified. Additionally, there is no evidence that interest-balancing represents a rule of international law."

It is futile to expect courts to find a solution by balancing national interests. Most judges will refuse to take this role, and most of those that will accept it will only find that the interests of their own country carry the greater weight.

The majority opinion of the U.S. Court of Appeals rightly suggests that international arbitration of such disputes would be a better solution.

The opinion is an outstanding contribution to the discussion of the wider problem underlying the present Laker dispute. One would wish the governments concerned to take note of what Judge Wilkey said, instead of just waiting for something to turn up. If they do nothing, the extraterritoriality tangle will go from bad to worse.

U.S. Court of Appeals, DC, Nos 83–1280 and 83–1281, unreported.

†U.S./UK agreement concerning air services, July 23, 1977.

A. H. Hermann
Legal Correspondent

TECHNOLOGY

EDITED BY ALAN CANE

MOTOR-CYCLE FACTORY AT SPANDAU SHOWS ITS PACES

Advanced manufacturing at BMW

BY ALAN WRAIGHT

BMW'S MODERNISED motor-cycle factory at Spandau, West Berlin, inaugurated by Dr Helmut Kohl, the West German Chancellor, last month is now the most advanced in Europe.

When laying the foundations, in 1979, for its new generation of bikes the K series, however, the company opted out of a heavy use of robotics in the manufacturing process and instead plumped for computerised numerically controlled machining operations.

This is very much in line with methods used in engine production by the company's car operations but, although robots may be useful in the manufacture of car bodies, the very nature of a motorcycle chassis does not lend itself easily to this form of production.

Within Europe it is mainly at Piaggio's plant in Italy, which builds Vespa scooters of monocoque design, where robots are readily evident.

Herr Hans Glas, director of BMW's Berlin plant, explained that from the outset it was decided that modern production methods would only be justified if they assisted the company in maintaining or, if possible, improving the quality of its product.

This policy, he says, was demonstrated, for example, when frame production was moved from Spandau to Berlin-Reinickendorf for lack of space. Here welding manipulators are only slowly being introduced, and the robot developed for the company's new K100 model has not quite completed its apprenticeship. Thus hand welding on the frames still reigns, and "manipulators and robots will have their day only when they can work as well or better than humans."

Engine parts, however, benefit greatly from the accuracy of computer-controlled machine tools, and the company's K series engine was designed with such production methods in mind.

Crankshafts for the 1000-cc water-cooled, four-cylinder engines on the K series, for instance, which are delivered as unmachined castings, remain throughout the production process in the care of machines. These give an ultrafine polish to each bearing surface, ensure that the drive gear gets uniform teeth and give the part the required hardness.

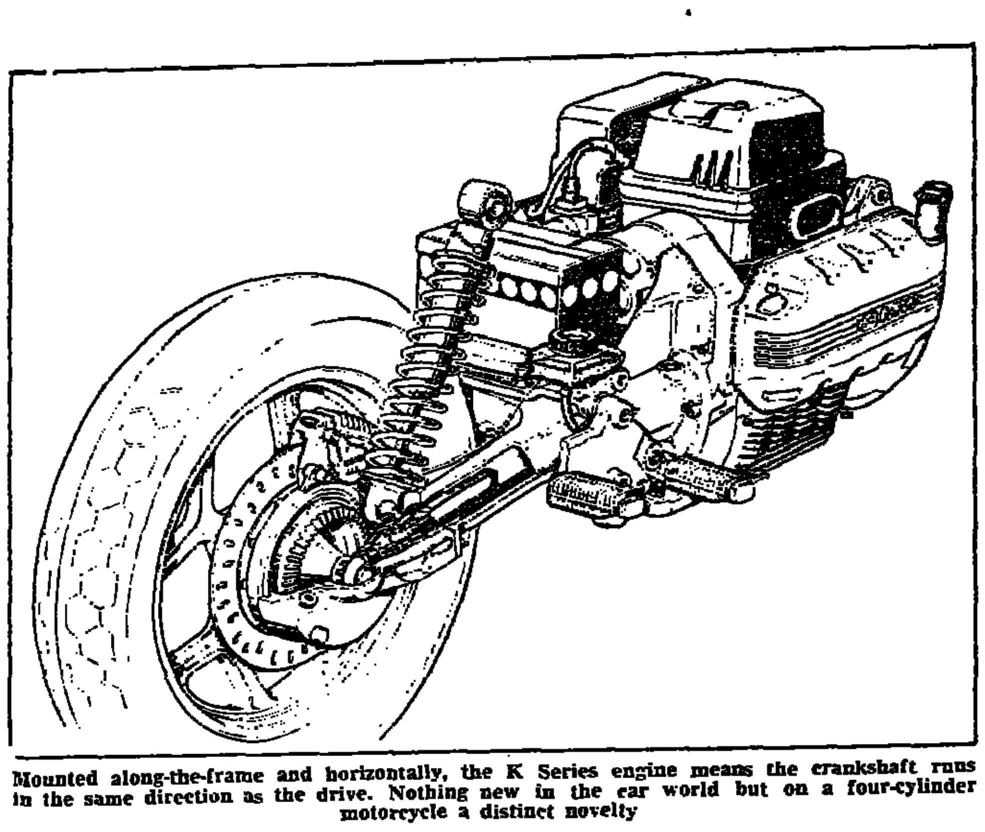
The lower crankcase, the mounting flange and the pump casting are machined fully automatically and in any sequence by a total of 156 tools. In the process, torrents of cooling lubricant douse the tool and workpiece. In aluminium machining alone 32,000 gallons of emulsion are in circulation and about 450 kg of aluminium chips are filtered out daily. Valve seats and value guides are then cooled in liquid nitrogen at −170°C and are automatically pressed into the cylinder heads.

The electroplating departmens, hitherto involved only in chrome plating, now assists in engine construction. It, too, is fully automated and K100 one-piece aluminium engine blocks are given a 0.1mm running surface of nickle and silicon—a world first for a multi-cylinder in-line motorcycle engine.

Robotics only appear at engine assembly where many-armed screwdrivers converge to tighten nuts and bolts to a defined torque. It takes about two hours to assemble a K100 engine on the variable-speed revolving line, from which a finished unit emerges every five-and-a-half minutes.

At the heart of the final motorcycle assembly is a newly developed "ski lift" conveyor system with 165 self propelled, electrically driven hangers which pivot through 360 degrees and can be adjusted for height to save workers bending and stretching.

Before assembly the system is programmed with a code number containing the model desired. This determines, via a process-control computer, the path to be taken and the stations to be visited. Thus both the company's flat-twin engined machines and the new K100s can be produced on the one line.



Mounted along-the-frame and horizontally, the K Series engine means the crankshaft runs in the same direction as the drive. Nothing new in the car world but on a four-cylinder motorcycle a distinct novelty

IT IS always a mistake to label anything in motorcycle engineering innovative. History has a nasty habit of throwing up an Arnold Sidebottom who tried such a device on his Spagworth Special of 1903. However, as far as more modern motorcycles go, the engine set up of the new K series models from BMW, the West German automotive group, is unique.

It is a water-cooled 1,000 cc in-line four-cylinder unit and is the first all new bike engine designed by the company in over 60 years. Where it breaks with convention is that it runs longitudinally and horizontally within the bike's frame rather than at right angles to the direction of travel and upright in position, as is more usually the case with multi-cylinder machines, particularly those from Japan.

There are three distinct advantages of the BMW design. By producing a lower centre of gravity it improves handling of the motorcycle, and with the crankshaft running in the same direction as the driveshaft it avoids power losses as a result of deviations. Also, the horizontal position on the engine makes for easier maintenance. Spark plugs, valves or injection nozzles are easily accessible, without the usual removal of the fuel tank, and the crankshaft, pistons and connecting rods can be worked on without removing the engine from the frame.

STC SIGNS AGREEMENT WITH CCI

Short cut to office automation

BY GEOFFREY CHARLISH

HAVING CUT its teeth with U.S. company Computer Consoles Inc (CCI) in a £25m British Telecom contract to computerise the UK directory inquiry service, Standard Telephones and Cables is now to use the U.S. company's products as a short cut into the office automation business.

STC Business Systems has signed a UK-exclusive distribution agreement with CCI and will deploy £4m of the U.S. company's equipment over the next 18 months.

The new system is called STC 6600 Officepower and consists of a processor that can handle up to 16 terminals at a cost of about £72,000. The software can handle all the usual office tasks including typing/word processing, filing, internal mailing, copying, phone messages and scheduling meetings.

Mr Steve Kane, business manager for communications systems in STC Business Systems, says that the company is "the first UK telecoms supplier to offer a competitive product, realistically tuned to users' needs, within an area so far dominated by data communications and word processing companies."

An interesting aspect is that the system can be installed quickly with a minimum of disruption by using existing telephone wiring. Small electronic boxes called "Datagates" link the workstations to the phone points, processing the information entering and leaving the network. The telephone can be used, alternatively, at the same workstation. Digital and analogue PABXs are catered for.

Officepower is UNIX based, giving access to growing amounts of software, and, says STC, is designed by office people for office people—"not by programmers for boffins."

> Officepower is "not designed by programmers for boffins"

The system provides plenty of help for users, with "soft" keys whose meanings change according to the menu and activity in use. Anyone can log into any terminal in an office, and the system has been designed for the typical working environment where there are constant interruptions and job changes.

If for example, a user is doing word processing, the task can easily be suspended in order, say, to create and send some electronic mail — the system will return to the original task afterwards. STC says Officepower is equally at home on the desk of the executive, secretary, clerk, or WP operator.

At the moment the system will not communicate with a mainframe, but the facility will be developed by the summer, as will a connection to the company's message switching systems.

STC claims that the word processing facilities on the 6600 are "as good as those offered by most dedicated word processing systems." Documents can be filed electronically for recall by name or any other key word. There is an archival filing system with a separate index.

Officepower 6600 uses the Motorola MC 68000 processor with 32 bit addressing. A Winchester disk and streamer tape are integrated into a single sub-system able to serve up to 16 devices (terminals or printers). The basic system uses a 35 or 70 megabyte drive, 20 megabytes of streamer tape and one megabyte of main memory. Expansion allows up to 4 MB of memory and three Winchesters. More on 01-236 9047.

TANTUS TAKES COMPUTERS INTO DEALING ROOMS

From bookies to banks

THE FIRST job Tantus Microsystems had was to install a computer system at a bookies headquarters to keep track of telephone bets. Now it is aiming at the world of finance with a system already operating at the European Banking Company's office in London.

The Tantus system does not use keyboards—but an electronic pad and magnetic stylus for entering data. So that the system is aimed at people who are not familiar with keyboard layouts—and don't want to learn.

At William Hill clerks enter telephone bets—this represents about 5 per cent of Hill's total business—simply by pointing the stylus at the relevant horses name, the type of bet, and the amount. For several bets with a single customer it is much quicker than the old-fashioned method of simply writing the details on a betting sheet.

Tantus then realised that the money world was also an ideal market for its technology. In January a money dealing system went on-line at the European Banking Company. It allows foreign exchange deals to be entered quickly into a computer with instant information on the dealer's position. This is important as it tells the dealer how much money he is making on the markets. A dealer may have only five seconds to complete a deal.

Several years ago, the Europe-pean Banking Company, which is owned by several major European clearing banks including the Midland in the UK, decided to try and find a suitable computers system which could carry out deals as quickly as writing them down. It tested a voice response system which could recognise an individual's speech and make the deals according. But it could not work in practice because of the raised dealer's voices during busy trading times could not be understood by the computer.

So there has been reluctance to introduce new technology until Tantus came along. Already three dealers' desks have been converted to the Tantus pad at a cost of £17,000 each and more are planned. Other financial companies have also expressed interest in the system. EBC has also taken a 5 per cent share in the computer company. Reuters and another company have developed such systems too.

Tantus was set up in 1978 with Mr Basil de Ferranti, better known with the rather larger Ferranti group, as chairman and Mr Derek Eldridge as a director. Last year Mr de Ferranti's son, Adrian left his city job to become an executive director. The company is still small employing about 18 people and a turnover approaching £1m.

ELAINE WILLIAMS

Lasers

Chemical analysis

THE combination of a computer and a dye laser produces an extremely simple way of analysing chemicals with laser spectroscopy, according to Coherent, the American-owned company that produces the system.

The £100,000 Autoscan hardware produces light of a specific frequency in the wavelength range 500 to 800 nanometres. The researcher simply "dials in" the wavelength that he requires using software in an Apple microcomputer.

Coherent (UK), based in Cambridge, has sold two systems to Nottingham and Sussex Universities.

Database

Software for micros

SOUTHDATA, A ten-man London company that is only three years old, has scored a success with its database software for micros.

The software, called Superfile, is being applied to a system that will enable users of eight- or 16-bit machines — in particular the IBM PC — to obtain rudimentary maps on the screen showing an area surrounding a town that has been entered on the keyboard.

Basis of the system is the Times Atlas gazetteer, data from which is being taken from the tapes used for printing. A user might enter "Bedford" for example, and the screen would then show surrounding towns — Luton, Northampton, Cambridge, and others, complete with populations.

The software will be available on a floppy disc from Times Books or Southdata and will cost £70 to £80. It will be extended later to include such things as type of manufacturer in each town.

The Superfile 16-bit version says Southdata, given enough hard disc storage, could pull entries from the complete London phone directory in under two seconds. More on 01-727 7564.

BASE LENDING RATES

A.B.N. Bank	8½%	■ Hambros Bank	8½%
Allied Irish Bank	8½%	Heritable & Gen. Trust	8½%
Amro Bank	8½%	■ Hill Samuel §	8½%
Henry Ansbacher	8½%	C. Hoare & Co. †	8½%
Armco Trust Ltd.	8¾%	Hongkong & Shanghai	8½%
Associates Cap. Corp.	9 %	Kingsnorth Trust Ltd.	10 %
Banco de Bilbao	8½%	Knowsley & Co. Ltd.	9½%
Bank Hapoalim BM	8½%	Lloyds Bank	8½%
BCCI	8½%	Mallinhall Limited	8½%
Bank of Ireland	8½%	Edward Manson & Co.	9½%
Bank Leumi (UK) plc	8½%	Meghraj and Sons Ltd.	8½%
Bank of Cyprus	8½%	Midland Bank	8½%
Bank of India	8½%	■ Morgan Grenfell	8½%
Bank of Scotland	8½%	National Bk. of Kuwait	8½%
Banque Belge Ltd.	8½%	National Girobank	8½%
Banque du Rhone	9½%	National Westminster	8½%
Barclays Bank	8½%	Norwich Gen. Tst.	8½%
Beneficial Trust Ltd.	9½%	R. Raphael & Sons	8½%
Bremar Holdings Ltd.	8½%	P. S. Refson & Co.	8½%
Brit. Bank of Mid. East	8½%	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	8½%
CL Bank Nederland	8½%	■ J Henry Schroder Wagg	8½%
Canada Perm't Trust	10 %	Standard Chartered ‖	8½%
Castle Court Trust Ltd.	9 %	Trade Dev. Bank	8½%
Cayzer Ltd.	8½%	TCB	8½%
Cedar Holdings	9 %	Trustee Savings Bank	8½%
■ Charterhouse Japhet	8½%	United Bank of Kuwait	8½%
Choulartons	10½%	United Mizrahi Bank	8½%
Citibank Savings ¶	10½%	Volkskas Intnl. Ltd.	8½%
Clydesdale Bank	8½%	Westpac Banking Corp	8½%
C. E. Coates	9½%	Whiteaway Laidlaw	9 %
Comm. Bk. of N. East	8½%	Williams & Glyn's	8½%
Consolidated Credits	8½%	Wintrust Secs. Ltd.	9 %
Co-operative Bank *	8½%	Yorkshire Bank	8½%
The Cyprus Popular Bk.	8½%		
Dunbar & Co. Ltd.	8½%		
Duncan Lawrie	8½%		
E. T. Trust	9 %		
Exeter Trust Ltd.	9½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	9½%		
Robert Fraser	9½%		
Grindlays Bank ‡	8½%		
■ Guinness Mahon	8½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.25%. 1-month 6%. Fixed rate 12 months £2,500 8%. £10,000, 12 months 8.25%.
† 7-day deposits on sums of: under £10,000 5¾%, £10,000 up to £50,000 6¼%, £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¾%.
‖ 21-day deposits over £1,000 6¼%.
§ Demand deposits 5¾%.
¶ Mortgage base rate.

The Code of Practice is a set of recommendations and guidance on how racial discrimination in employment can be avoided. It stresses the close link between good employment practice and equal opportunity. It contains general advice on the policies that are needed and detailed recommendations on ways of preventing discrimination as well as outlining those steps which can have a positive impact on equal opportunity.

In passing the Race Relations Act 1976, Parliament empowered the CRE to draw up a Code of Practice for Employment, and the Code has been approved by Parliament. It came into force on 1 April 1984.

The Code recognises that some of its provisions may need to be adapted to particular circumstances but makes clear that any adaptation should be fully consistent with its general intentions.

In the words of the Introduction to the Code, it 'does not impose any legal obligations itself, nor is it an authoritative statement of the law – that can only be provided by the courts and tribunals. If, however, its recommendations are not observed this may result in breaches of the law where the act or omission falls within any of the specific prohibitions of the Act. Moreover its provisions are admissible in evidence in any proceedings under the Race Relations Act before an Industrial Tribunal and if any provision appears to the Tribunal to be relevant to a question arising in the proceedings it must be taken into account in determining that question.'

'The fact is that racial discrimination and racial disadvantage are a daily reality for far too many black and brown people in this country. This is disgraceful, not least because it is by no means what is desired by the majority of the population of these islands. But the reality remains. It is a hard fact that ethnic minorities suffer disproportionately from unemployment; there is incontrovertible research evidence, to back up individual experience of discrimination in recruitment or selection.'
Rt. Hon. Leon Brittan, Home Secretary speaking in Bradford July 22, 1983

'Racial bias is bad business'.
Financial Times, October 5, 1981

'Our position on equal opportunity is quite clear. Equal opportunity is good for business. Aside from ethical/moral considerations – under utilising available talent is bad for business and bad for profits.'
Paul J. Roots, Industrial Relations Director Ford Motor Company Ltd June 25, 1982

CODE OF PRACTICE = EQUALITY AT WORK

The following 73 employers who together employ some 2,300,000 employees and 23 trades unions who represent over 5 million workers have subscribed their names to this commitment to make equal opportunity a reality.

SAY YES TO EQUAL OPPORTUNITIES WE HAVE!

Both as employers in the business of providing goods and services; and as Trade Unions representing workers we operate in a multi racial Britain. We need to be effective and efficient and we are therefore committed to good employment practice. This means making equality of opportunity a reality.

Austin Rover Group Limited
Banks and Miles Design Consultants
Barnsley Metropolitan Borough Council
The Boots Company PLC
Borough of Watford
Borough of Milton Keynes
British Gas Corporation
Brook Street Bureau plc
Cabinet Office (Management and Personnel Office) on behalf of the Civil Service
Central Independent Television plc
Cheshire County Council
Cleveland Transit
City of Glasgow
City of Gloucester
City of Manchester
City of Nottingham
City of Peterborough
Corah plc
Dudley Metropolitan Borough
The Electricity Council
Ford Motor Company Limited
Greater London Council
Greater Manchester Passenger Transport Executive
Hertfordshire County Council
IBM United Kingdom Limited
Imperial Chemical Industries plc
Independent Broadcasting Authority
Land Rover Group
Leeds City Council
Leicester City Council
Leyland Vehicles Limited
The Littlewoods Organisation
London Borough of Barnet
London Borough of Brent
London Borough of Camden
London Borough of Greenwich
London Borough of Hammersmith and Fulham
London Borough of Harrow
London Borough of Hounslow
London Borough of Lambeth
London Borough of Lewisham
London Borough of Newham
London Borough of Richmond Upon Thames
London Transport
Marks and Spencer plc
Massey-Ferguson Holdings Limited
Metal Box plc
Metropolitan Borough of Wolverhampton
Middlesbrough Borough Council
Midland Bank plc
National Bus Company
National Westminster Bank plc
Oxford City Council
Paddington & North Kensington Health Authority
The Post Office
The Prudential Assurance Company Limited
Reading Borough Council
Rothmans International
J Sainsbury plc
Scottish and Newcastle Breweries plc
Shell UK Limited
Slough Corporation
South Birmingham Health Authority
South Yorkshire Passenger Transport Executive
Strathclyde Regional Council
Tesco plc
Thames Television Limited
TSW — Television South West Limited
Tyne and Wear Passenger Transport Executive
Unilever UK Holdings Limited
United Biscuits (UK) Limited
Walsall Metropolitan Borough Council
West Midlands County Council

Trade Unions
Association of Professional, Executive, Clerical & Computer Staff (APEX)
Association of University Teachers (AUT)
Amalgamated Union of Engineering Workers — Technical, Administrative and Supervisory Section (AUEW-TASS)
Banking Insurance & Finance Union (BIFU)
Confederation of Health Service Employees (COHSE)
Council of Civil Service Unions
General, Municipal, Boilermakers and Allied Trades Union (GMB ATU)
National Association of Schoolmasters — Union of Women Teachers (NAS/UWT)
National and Local Government Officers Association (NALGO)
National Association of Teachers In Further and Higher Education (NATFHE)
National Union of Journalists (NUJ)
National Union of Public Employees (NUPE)
National Union of Railwaymen (NUR)
National Union of Tailors and Garment Workers (NUTGW)
National Union of Teachers (NUT)
Transport and General Workers Union (TGWU)
Union of Shop, Distributive and Allied Workers (USDAW)

COMMISSION FOR RACIAL EQUALITY

Elliot House
10-12 Allington Street
London SW1E 5EH
Telephone 01-828 7022

Please send me a free copy of the Code of Practice.

Rod Lee
Employment Division
Commission for Racial Equality
Elliot House
10-12 Allington Street
London SW1E 5EH

Name ____________________

Address ____________________

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MANAGEMENT

LESS THAN two years ago just about everyone, including Wall Street, had given up on Data General. After a decade of spectacular growth the U.S. minicomputer manufacturer was foundering.

As sales growth sagged and profits tumbled the once high-flying Massachusetts-based corporation looked very much like the other high-tech companies which had failed to adapt to a rapidly changing market place. Data General, it seemed, had been unable to make the transformation from an entrepreneurial engineering-based company into a mature market and product driven business.

Today, though, instead of being saddled with a narrow-based and out-of-date product line and suffering from serious management problems and doubtful financial prospects, the company is transformed. As a consequence of structural and policy changes it now has a full range of 32-bit super mini-computers in place of ageing and low margin 16-bit models.

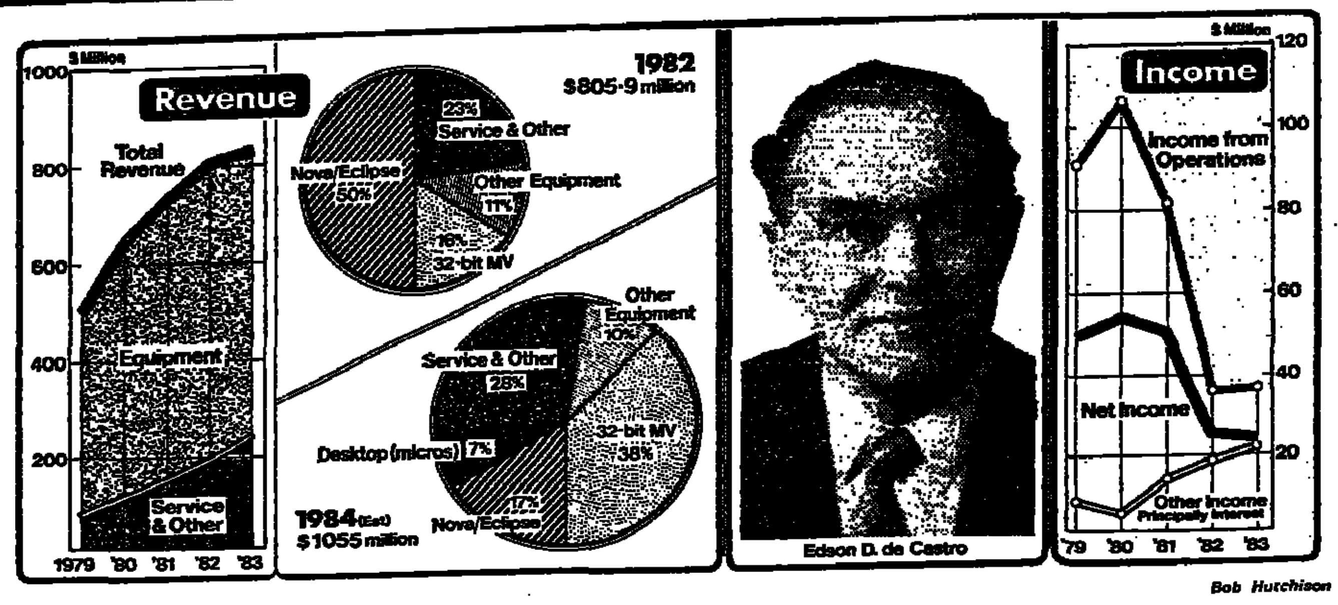
These have not only challenged the supremacy of Digital Equipment Corporation (DEC), but also provide the company with a significant price performance advantage, and one which is expected to remain for at least 12 months before DEC manages to challenge Data General's top of the line MV/10000. Further uncertainties may arise, however, with the launch by AT&T of a range of powerful minicomputers.

Other changes are also evident. In place of a salesforce described by Herbert Richman—one of the co-founders—in one magazine article as "a bunch of gorillas in the field" Data General has the beginnings of a fully trained salesforce able to sell a widening spectrum of products to end users—as well as the still important original equipment manufacturers market. Equally important, the computer group is building the field engineering and service organisations to back up sales.

And on the overseas front a major television advertising campaign has been launched in Europe, starting in the UK. "Marketing is taking a much higher priority in Europe," says Ray Fortune, vice president of the company's European operations.

The brighter prospects resulting from Data General's corporate reorganisation — which was spearheaded by the computer group's founder and president, Ed de Castro — are now recognised on Wall Street. Morgan Stanley's industry analyst, Ulrich Weil, remarked last October that "among its peers Data General stands out as having its house in order."

As part of its strategy to broaden its product range, the company has introduced its



Bob Hutchison

How Data General put its house in order

Paul Taylor reports on the U.S. computer maker's revived fortunes

desktop generation of computers — a sophisticated business-orientated system pitched at end users among Fortune 500 companies and priced "deliberately" above IBM's Personal Computer systems.

The desktop generation is seen by Data General as an essential complement to its series of superminis—" we must be able to offer a full range of equipment," says one senior company executive—and also as the basis for its push into the highly competitive office automation business.

The desktop machines are compatible with the company's MV series, introduced in 1980 to compete with arch-rival Digital Equipment Corporation's 32-bit Vax-11/780, though now acknowledged by some executives to be a "stop gap" to stay alive "in a fast moving game." These models can also run software for the now almost standard IBM Personal Computer, as well as Data General's own software, including its C.E.O. (comprehensive electronic office) integrated package. Last year these products helped the company win $114m in new, and prestige, contracts from E. F. Hutton, the Wall Street investment bank, and the U.S. forestry service.

Data General's near demise resulted from a classic case of failing to respond to changes in the market. The company, founded by de Castro and Richman in 1969, had found an easy market in the 1970s in selling general purpose computers to technically spohisticated users or original equipment manufacturers which re-packaged its systems. During this period the Westborough-based computer maker grew at a compound rate of almost 58 per cent a year.

But things were changing. Data General had built the first general-purpose 16-bit micro-computer called the Nova, but when DEC, the second largest computer manufacturer in the world, brought out its significantly more powerful Vax-11/780, Data General was caught without a competitive produce. It took the company two-and-a-half years to catch up with its MV series and it was probably the shock this caused to the company's system that ultimately saved it.

Ed de Castro, asked what went wrong at Data General, says the company had aimed too high with its own development projects. He adds, with a degree of false modesty, that the major reorganisation which followed was needed because "I was not smart enough to keep track of what was going on."

What de Castro was forced to recognise is that he could no longer run a Fortune 500 company in an autocratic way and expect it to survive in a market-place squeezed from the top by an increasingly aggressive IBM and from below by the "upstart" micro and minicomputer manufacturers, including such companies as Prime, Altos, Convergent Technologies and Apple.

He realised that he had to devolve responsibility and radically change the company's management structure, development process, product mix, and sales team.

To accomplish this de Castro set in train a process which led, over an extended transition period, to a "reborn" Data General built around a new management team, recruited in part from IBM and elsewhere within the industry.

Data General brought in more than half a dozen ex-IBMers instilled with the computer giant's marketing drive and product and service know-how. They were installed in key management positions in a re-organised product-orientated and devolved management structure.

Among them were Robert Miller, now senior vice president of business groups in charge of the company's three new product divisions—technical products, information systems and desktop systems—and Frank Silkman, a 24-year-old IBM veteran who was recruited to build the now rapidly expanding worldwide field engineering division which today employs 2,100.

Perhaps equally important Data General and de Castro established two clear strategic objectives.

The first, which Data General veterans like Tom West, vice president in the systems development division says has "instilled cost-consciousness" and market orientation into the development process from the earliest stages, is that new products should meet one of two criteria.

They must either offer double the procesing power at the same cost or the same processing power at half the cost.

The second primary objective, says de Castro, is "steadily to broaden our product range"—a move which he sees as essential if the company is to retain and expand its end-user customer base, satisfy their requirements and remain a viable player in the information processing business.

The importance attached by Data General to its foreign sales is reflected in its investment in a *major service centre* near Frankfurt which holds $40m of spares. But the company has also learned that an efficient field-engineering and service organisation can generate revenues as well as keeping customers happy. Last year service and other revenues produced 28 per cent of total revenues, up from 23 per cent in 1982.

Can Data General sustain the current momentum? Maybe. It does not pay a dividend but continues to invest 10 per cent of revenues in research and development. In addition, the company will spend over $80m this year on capital projects—including a large chunk on a new manufacturing facility in Singapore.

One crucial factor remains the performance of the *U.S.* economy itself. The U.S. remains Data General's primary market accounting for about 70 per cent of sales last year. With capital spending on the rise in the U.S. the company appears to be in a good position to take advantage of a boom in business spending.

Ed de Castro is naturally optimistic. He predicts growth of between 20 and 25 per cent a year from a revenue base of $829m in 1982. "We have a strong economy and a strong product line," he says, "and we are looking for rapid growth."

He sees Data General's product line expanding further. In order to compete in market niches he believes a computer company must have "breadth of line," and that includes software. He predicts that 25 years from now 75 per cent of revenues will come from software.

In the short term the company's ability to deliver on its promises will depend upon its ability to adapt to its customer needs—and to avoid a repeat of its recent mistakes.

Data General makes no secret of its ambition to move up the information processing pecking order and eventually unseat DEC from the number two slot. But Ed de Castro also recognises that it takes more than a magic wand. "We are going head-to-head with Wang in the office market for the first time," he says — and that still leaves IBM.

BY CHRISTOPHER LORENZ

Steps on Japan's corporate ladder

IN JAPAN it is not so much whether you went to university but which one that is the important factor in the climb up the corporate ladder.

This emerges from a survey of leading companies listed on the Tokyo Stock Exchange. An *article in* Sumitomo Quarterly reveals that of 1,772 presidents (this title in Japan is equivalent to corporate chief executive in the West) 75.5 per cent were university graduates. And of these 1,338 presidents, 68 per cent graduated from state-supported universities, notably Tokyo University (394) and Kyoto University (244).

Of some 30,000 directors, 64.9 per cent were graduates and of these 66 per cent were alumni of state-supported universities. This survey by business publisher, Toyo Keizai Shimposha, also revealed that more than half of the presidents were over 60, while directors were mainly in their 50s.

Sumitomo Quarterly says that another survey—by Teikoku *Data Bank—of 58,000 small* and medium-sized companies reveals that 25 per cent of these were headed by presidents who graduated from Nihon University.

The Japan Commerce and Industry Research Institute, in a survey of presidents of small and medium-sized companies, found that 41 per cent rise at around 7 am, the second-largest group at about 6 am. Most presidents reach their offices between 8 am and 9 am, though one in ten arrives by 7 am, before staff report for work. Most then work until between 6 pm and 8 pm and go to bed at between 11 pm and midnight.

While just over half are in the habit of smoking, 85 per cent drink — favourites are *whisky, followed by Japanese* sake and beer.

Average salaries vary quite widely. Presidents of small and medium-sized firms, as at March 1983, earned an average Y960,000 (£3,800) a month, or Y10.32m (£45,600) a year, according to a study by Nihon Jitsugyo Shuppansha. Even the salary of the highest paid president of a medium-sized enterprise at Y2.03m (£9,000) a month, or Y24.36m (£108,000) a year seems rather small, according to Sumitomo Quarterly, in proportion to the heavy responsibility and gruelling workload involved.

Many presidents of large corporations earn in the region of Y20m to Y30m (£89,000 to £133,000). But far more attractive than salary itself is the unlimited expense account they enjoy. The size of the president's expense account is hidden behind "a thick veil," according to the journal. Outsiders have no idea of the amount, "except that it is huge."

In addition, chief executive officers have other income, such as stock dividends from their companies. Ten presidents of major corporations are reported to have had an income — in 1982 — exceeding Y500m (£2.2m); the highest was an enormous Y2.89bn (£12.8m) for Shokichi Uehara (since deceased), honorary chairman of Taisho Pharmaceutical Company.

As for hobbies, the Toyo Keizai Shimposha survey indicated that one in three presidents of top corporations plays golf. The next most popular hobbies are reading, the *game of go,* listening to music and sports other than golf. However, since most Japanese corporate directors work so hard —indeed they are often criticised as being "economic animals"—it transpires that 36 per cent "hardly ever" engage *in sports (including golf),* 44 per cent only "sometimes," and just 21 per cent "quite frequently."

ROUTINE OF PRESIDENTS OF SMALLER JAPANESE COMPANIES

Arise					
5 am	6 am	6.30 am	7 am	7.30 am	
7.2%	32.1%	13.8%	41.3%	5.6%	
Arrive at office					
7 am	8 am	8.30 am	9 am	After 9 am	
9.9%	37.0%	16.1%	27.1%	9.9%	
Leave office					
Before 5 pm	5-5.59 pm	6-6.59 pm	7-7.59 pm	8-8.59 pm	After 9pm
3.1%	16.6%	36.4%	24.1%	11.8%	8.0%
Go to bed					
Before 10 pm	10-10.59 pm	11-11.59 pm	12-0.59 am	After 1 am	
7.3%	28.9%	44.3%	17.5%	2.0%	

FINANCIAL TIMES SURVEY

Monday April 2, 1984

British companies are believed to have spent about £100m last year with public relations consultancies whose fees received have trebled in three years. The recession has even resulted in a mini boom for PR services

Public Relations

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By DAVID CHURCHILL
Consumer Affairs Correspondent

THE PUBLIC RELATIONS business in Britain is booming. While everyone — including many of those in the PR world themselves—had expected the recession to take its toll, the position is exactly the reverse. The public relations consultancy bpsiness is, admittedly, still in its infancy—about the position the advertising agency sector had reached in the mid-60s—but it is catching up with the adworld fast.

Tony Good, chairman of the Good Relations Group, which is the first, and only, PR consultancy to have a full Stock Market quote—it published its annual results last week —suggests that "the gap between us and advertising agencies is closing almost every day." He believes the top PR consultancies are now perceived by the City and major companies "in the same light as the leading advertising agencies."

The old "gin and tonic" image of public relations, therefore, has now been largely shrugged off. Public relations consultancies are becoming recognised increasingly for their professionalism and their cost-effective approach. British companies are estimated to have spent about £100m with public relations consultancies last year while the actual fees received by consultancies have trebled in three years to reach more than £25m. The Public Relations Consultants' Association has also seen its membership grow, from 98 in 1981 to 104 at present.

£1m a year

"The PR business has never had it so good," says Bruce Clark of Communications Strategy. "Six-figure PR budgets are no longer the rarity they once were." The top dozen PR consultancies are estimated to have notched up fee incomes of more than £1m last year.

Why is public relations doing so well, when in the last recession it suffered so badly? There are probably as many reasons advanced for this state of affairs as there are PRs, but most include.

● Last time round, companies cut advertising and public relations spending and lost market share. So during the current recession, spending to support brands has remained strong. "Tougher competition has meant incerased marketing," says Reginald Watts of Burson-Marsteller," and the cost effectiveness of PR has become increasingly clear."

● Other media costs, especially the cost of television advertising, have risen sharply. "Companies are discovering that public relations can provide a more effective programme for communicating a message at a cheaper cost than advertising," says Ann Wright of Welbeck.

● The growth in available media—such as Channel Four and two breakfast television programmes—is boosting public relations. "The fragmentation of the media gives public relations consultancies more opportunities to get their message across to a specialist audience —and that makes us more cost effective," says Adele Biss of Biss Lancaster.

● The structural changes in manufacturing industry during the recession have also boosted the use of PR. "As companies have had to close down plants and pull out of markets, so they have turned to PR to help get their reasons across to employees and the public," says Terence Franklin of Hill and Knowlton. "Similarly, as new businesses have sprung up then there is a need for PR to make people aware of them.'

● New businesses that have turned to PR for the first time include the financial services sector. "The rapid changes in the financial services industry, both in the UK and internationally, are providing financial public relations consultancies with the biggest challenge and opportunity they have had since the secondary banking boom in the early 70s," says Roddy Dewe of Dewe Rogerson.

● The spate of contested merger bids in recent years and the growing popularity of company launches on the Unlisted Securities Market has also given PR consultancies that speciali?? in this area a major boost.

● The impact of EEC and Westminster legislation on how a company operates is gradually gaining recognition. "The interface between industry, commerce and government has become much closer, but still too many industries are only waking up to a problem when they've already got one," says Douglas Smith of Political Research and Communications International.

● Other growing areas of public relations activity include the travel business. "Many small to middle range travel companies who in the past may have considered PR beyond their budget are now talking to us," says Jim Dunn of Travel Press Service. He also points out that with the growth of the home video market and the "rebirth" of the British film industry, "our expansion into the field of entertainment PR two years ago after a slow start is beginning to pay off."

● The end of the recession is helping those agencies with a number of consumer goods clients. "We've noticed a turn up in this type of business," says Ann Wright of Welbeck. "There are a lot of lapsed consumer goods companies coming back into PR," adds Adele Biss of Biss Lancaster.

With such a plethora of reasons for good business, it is small wonder that most public relations consultancies are becoming bullish about the future. But, as Tony Good of Good Relations points out, the biggest threat to the boom continuing is for companies to receive below standard public relations advice. "There is great difficulty in getting the right type of talent from within the business," he says. "The industry will have to recruit from senior management in major organisations and with other professional skills."

Reggie Watts agrees that the "big problem is how to meet the growing demand for public relations services." Burson-Marsteller, like a number of large agencies, is busily recruiting from other specialist professions, such as the law, accountancy, and medicine. But Watts also feels there is a "need for consultancies to improve the analytical aspect of their work to give clients the best service."

The consultancies, however, are also concerned at improving the education of clients and prospective executives. "There is a need to design a crash course of education for young graduates in the techniques and skill s of PR," says Douglas Smith, chairman of the PRCA as well as a public affairs PR.

Education of clients is equally important, in the opinion of many consultants. They feel there is insufficient awareness of the true cost of a PR operation. "Fee levels must be right if we are to provide a good service and make a profit," says Susan Mourgue of Communications Strategy. "Even an £85,000 account can end up being subsidised by two or three smaller accounts."

A survey of top marketing executives by Paragon Communications uncovered a lack of realism about the cost of PR, with 53 per cent of those surveyed saying they would expect to spend £20,000 or less on the annual PR for a product or brand.

The question of how PR consultancies charge their clients is an emotive topic in the business and of more than passing interest to the companies they handle. One irritation to many companies is the commission added to print and other expenses incurred by the consultancy on a particular campaign. This is normal practice in the advertising industry and has been used by many consultancies. Welbeck, however, is one of the few which charges a client the exact cost of direct expenses without any commissions on top. "This helps clients with their budgets," points out Welbeck's Ann Wright.

While many companies retain consultancies on an annual fee basis, some consultants would like to see the U.S. system adopted where payment is in arrears according to the time taken by PR executives. Lawyers or investment analysts can be paid this way, they argue, so why not PR professionals.

Another concern is the rising cost of pitching for accounts: some consultancies, like advertising agencies, are now refusing to pitch for accounts but prefer, instead, to let their record speak for themselves. Others are seeking rejection fees although these, ranging from £500 to £5,000 rarely cover an agency's investment in the pitch.

Even though PR in the UK still has plenty of scope for organic growth — more than half the marketing directors contacted in the Paragon survey felt that PR would gain in importance in the future — the industry is already casting eager eyes on Europe and elsewhere.

More than one consultancy has its expansion targets set on acquisition of a continental PR consultancy, while the PRCA is determined to establish a European association of consultancy groups.

Grand ambitions perhaps, for an industry which is still establishing itself in the UK; but the buoyancy and optimism in the PR business at present is hard to deny.

Antony Thorncroft looks at the reasons for the shift from in-house PR to consultancies

Broader range of experience pays off

THE GROWTH in public relations in recent years has been quite remarkable. Its activities might have started at a very low base, and there are still many large companies who are suspicious of its contribution, but the overall trend is to employ PR, and, increasingly, to employ an outside PR consultancy.

One of the most significant developments in the industry in the past decade has been the shift from operating in-house PR departments to relying on a consultancy: and the trend is continuing.

Marie Jennings of the Public Relations Consultants Association reports that the annual fee income of its members has grown from under £8m to £25m in the past four years. Lindy Paine, who runs the PR Register, which offers companies seeking a PR consultancy an insight into over 60 firms, reports that this service has been a runaway success with two enquiries a week and major corporations showing an interest in outside PR.

PR is now being taken seriously, and with this encouragement it has developed a wider range of services. Press cuttings are a minor activity, and the emphasis now is on marketing, internal PR, corporate relations and political advice.

This broader range of expertise is outside the competence of most internal PR departments. In effect what has happened is that companies have tended to reduce their own PR personnel to a fairly senior corporate affairs manager, an assistant, and secretary, and bought in help from outside consultancies: and not just one—perhaps three or four, each offering a service in a specialist PR field.

The recession has played its part, encouraging companies to reduce their work force and also popularising the idea of using experts for specific exercises when they are needed rather than maintaining full-time departments which will inevitably be sometimes under-employed. It is cheaper to buy outside PR, if necessary on an ad hoc basis.

But it is not price which has favoured the PR consultancies. Prosperity has enabled them to offer high salaries to young bright graduates (in part to overcome the mixed reputation of the business) and thus to raise the intellectual capacity of PR.

Working for a consultancy provides a wide range of experience of clients' problems and encourages the development of a bag of skills. Clients are starting to trust the professionalism of PR consultants and to realise that by going outside they are probably getting a wide knowledge and the benefits of accumulated expertise.

In addition PR consultancies are operating in a very competitive field. If they do not deliever on their promises they can easily lose the account. So perhaps because they are cheaper; certainly because they offer a wider range of experience; often because they are keener, companies are turning to the consultancies.

Advantage

There might also be an element of "me too" about the process, a copying of competitors, but in the main, at relatively little cost (compared, that is, to advertising), PR advice can reassure a client.

Another advantage of the consultancies is that they can work on an ad hoc basis, helping out on a Press conference, or the launch of a new brand, or during a particular problem period for a company—like fielding both internal and external enquiries during a spate of redundancies.

The ideal solution is a high-level internal PR who liaises with a group of PR companies all providing services in various fields, from parliamentary briefings to conventional PR support for the marketing effort.

This is the experience of a company like Reed International. The head of communications, Barry Powell-Jones, might be using up to 20 PR consultancies (some of them one-man specialists) at any one time, most dealing with his in-house PRs sited through the numerous subsidiaries of this conglomerate.

"PR today is more of an a la carte service. We buy out various skills when we want them." Large companies can handle the mundane tasks, like sending out press releases, themselves: they look to PR for an objective outside view or for special talents.

The increasing use of consultants has, if anything, raised the status of the in-house personnel. There might be just one senior man but now he tends to deal directly with the chief executive and command a high salary. One head hunter reports that a major oil company has been seeking an internal head of corporate affairs and is prepared to pay £50,000 a year for the right man (or woman).

The PR consultants, too, at director level, must be able to give their advice to their clients' boards as well as to the chief executive.

But while more use is made of experienced public relations consultants to advise companies, at the very highest level, on their corporate image, on staff relations, on Government legislation or the EEC, still the bread and butter contact is between the internal marketing director and a PR executive of a consultancy.

The industry is still fairly small, and very young, and there is scarcely a norm in client consultancy relations. The chief executive of a large PR company points out that a half of her new clients have never used a PR consultancy before.

Arm's length

For all its recent growth there is one area that keeps the PR consultancies at arm's length — local and central government. Semi-official bodies, like the newly-formed Historic Buildings Commisssion, will recruit a PR consultancy to support its marketing drive, but Government, at all levels, relies on in-house personnel.

Some of this personnel can command salaries far in excess of consultancy rates. One PR director is worried at the very high salaries offered to very young PR executives by local government organisations like the GLC—they threaten career structures.

But the surprisingly high salaries commanded by public relations executives is a reflection of the higher status accorded them by business. For some it has brought the confidence to offer a complete service.

Carole Deighton, managing director of Munro Deighton, finds her company taking over the entire PR function, answering directly to the chief executive of a client. Anyone acting as a go-between, even an experienced public affairs manager, is in danger of communicating just one point of view, perhaps just the marketing stance.

In her opinion the marketing director remains the best channel, supplemented by monthly contact with the chief executive.

Public relations covers many sins. At one level it is still—despite the protestations of the large consultancies—Press cuttings; at the highest, a handful of PR executives are listened to by the board. Most companies see the advantage of an outside voice and like the financial gain of employing consultancies to look after specific assignments, dealt with on a day-to-day basis by a high-ranking internal executive. The future may lie with the consultancies, but linked to a board level PR contact.

CASE HISTORY: STRAND PR/ARA SERVICES

The Olympics link proves fruitful

THE OLYMPIC GAMES will obviously be one of the most important global events of the year: it must have a public relations pay off. Strand PR has found one.

In fact it was handed a link because one of its clients, ARA, which claims a $3bn turnover as the largest management services company in the world, is providing food an transportation for the 12,000 athletes in Los Angeles. It will serve a million meals in a fortnight.

ARA UK aims to expand its market share through its parent company's involvement, and Strand has come up with a programme of events. There is the problem that Olympic athletes must be seen to be amateur and so they cannot be individually sponsored, but Strand has launched the idea that companies where ARA provides the catering should feed local potential Olympics participants.

So every day shot putter Mike Winch and discus thrower Judy Oakes go to The Times for lunch, while others visit British Gas, Ben Truman and more. The concentration is on the heavy weight athletes who consume up to 8,000 calories a day.

When 13 of them were training in Bedfordshire recently local ARA customer Barclaycard arranged for lunch boxes to be delivered. Anglia TV and six local papers covered the story. The cost to the company was just £23.

Adopting an athlete appeals to clients, and also to the client's workforce, who probably, for the first time, are made aware that ARA is providing its catering facilities. The sponsorship of the athletes, training sessions widens the opportunities for publicity, especially as the lunch boxes are packed close to the type that the athletes will receive in Los Angeles.

Emphasis on diet

The whole programme was launched at a Wembley Press conference (the stadium is another client) under the Olympic flame of the 1948 Games. The emphasis was put on the diet that heavyweight athletes require and this approach attracted extensive TV and radio coverage.

ARA has five target audiences—potential customers; existing customers; its own staff; potential staff; and Olympic participants, who, ideally, should go to Los Angeles feeling good about the company feeding them there.

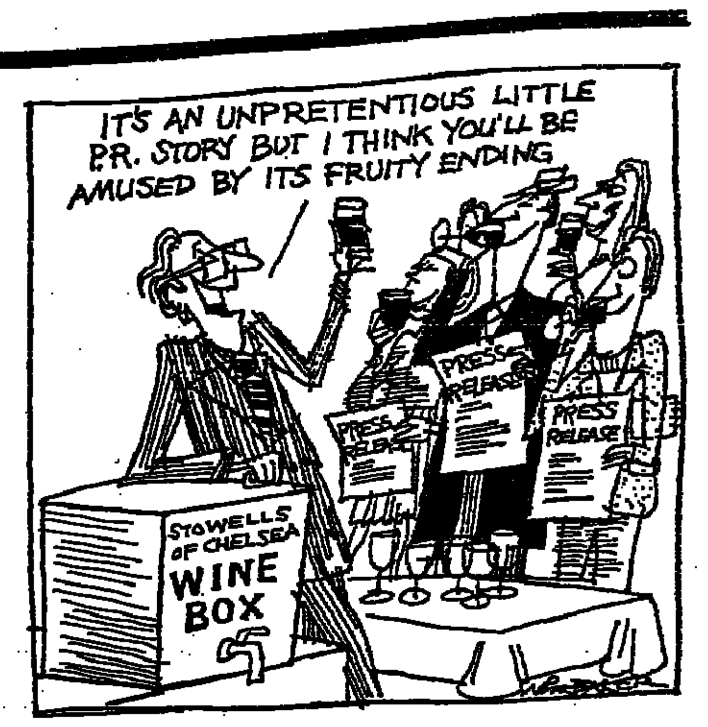
Apart from the publicity that can be directly generated from the Olympics link (which provides a rare opportunity for a business in basically a rather unglamorous and anonymous field to attract attention) ARA can also exploit the spin off effect.

For example, when it won the contract to act as consultant on catering for the estimated 3m visitors to the Liverpool Garden Festival ARA was referred to as the "Olympic caterers." It is a tag it will be happy to keep.

The Olympics also provides opportunities for staff competitions with tickets to the games as prizes, exploitation of the Olympics logo—for which the company paid at least £10,000 towards the British Olympic Fund, and spin off events like Adventures in Dining where ARA clients have days of Chinese or Hungarian or what have you food. The whole point of linking with the Olympics is that it provides wonderful opportunities for publicity exploitation.

A.T.

The three athletes (right to left) shot-putter Mike Winch, shot-putter Judy Oakes and hammer-thrower Martin Girvan ready to make a meal of the 8,000 calories worth of food on the table which illustrates the daily consumption of an athlete at the heavier end of the scale at the 1984 Olympics. ARA will be feeding and transporting the Olympics at the summer games in Los Angeles



CASE HISTORY: PARAGON/STOWELLS OF CHELSEA

Boxing clever with wine

STOWELLS of Chelsea's Wine Box is among the top three selling branded wines in the country, less than three years after its launch. Its sales in value are around £80m a year. It was marketed by Whitbread, which owns the line, without advertising, but using the public relations firm of Paragon.

Wine Box faced some problems. There was a natural antipathy towards a wine sold in a box and although this method of distributing wine had captured a half of the Australian market, sophisticated British wine drinkers might well look askance at the product, considering it to be low quality wine.

It was thought that advertising would not dislodge these prejudices, only tastings. Hence the decision to launch Wine Box with a totally below the line promotion.

Paragon advised that the product should be sold as a premium brand, with a price that justified its advantages—the wine keeps for up to four months and is of a better quality than the average table wine.

It thought that this message was to important to be left to the journalists attending the Press launch so it took double page spreads in all the trade papers detailing the pluses of Wine Box. It also ran interviews with trade buyers who had tried the product and were stocking it. In this way the brand got good distribution and the stage was set for a mammoth round of tastings on the lines that if they'll try, they'll buy.

As well as the public at large writers on consumer affairs were encouraged to sample the wine, with an emphasis on the womens magazines. Ony then were wine writers approached. By this time Wine Box had done well enough to make a story of its success and television and radio feature programmes were persuaded to publicise the wine that accounted for all the sales expansion in the wine trade.

The inevitable research showed that the target AB drinkers were mature enough to recognise that the wine was good despite its unusual packaging and that repeat purchases were high. But then criticism of boxed wine (at one stage there were over 150 competitive brands that had leaped into the market) in the press seemed to threaten the boom.

Conference

Paragon advised Whitbread not to respond to the criticism but instead to hold a major press conference to talk about its success and future plans.

Another important task has been to persuade the on-trade to stock Wine Box. Licensees have traditionally been suspicious of wine because of its heavy wastage but through a magazine entitled Wine Post which gives simple guidance on what wines to stock and how to sell them some of this prejudice has been broken down.

Stowells has also been to the fore in standardising the "wine glass," concentrating on a 1.25 ml measure which fits in well with the contents of the Wine Box.

This heavy PR activity has enabled Stowells to hold on to the Wine Box name, to protect it from competition. It has, in effect, become the generic name for all boxed wines.

It is now facing own label competition but with only 50 per cent distribution to date, the on-trade still in the early stages of exploitation, and many new varieties of wine to be developed, the potential remains enormous.

A.T.

Guide to choosing a consultancy

CHOOSING a public relations consultancy is no easy task, as many companies have found to their cost. Not surprisingly, given these difficulties, companies often turn to traditional areas of support such as advertising agencies, which generally have an associated public relations consultancy to handle the business.

But as public relations comes increasingly to be recognised as a management and marketing function in its own right, then the need for more careful selection of a consultancy is obvious. In addition, the growth of new areas—such as technical and financial public relations—is exposing many companies to public relations for the first time.

The problem is that even the largest of public relations agencies in the UK are quite small businesses in terms of the number of employees involved. The smaller consultancies, therefore, are literally very small — sometimes employing only one or two people—and some potential clients may shy away from putting themselves into such specialist hands. But in a fast growing industry many small operators may offer the most effective public relations programme. They can often provide the personal entrepreneurial service that some of the larger consultancies seem to have lost sight of.

Stepping neatly into this market gap is the Public Relations Register, an offshoot of the long-established advertising agency register used by companies to find agencies for their campaigns.

The PR register was formed, according to managing director Lindy Payne, to help companies find consultancies "without going through the long, tedious, often embarrassing and difficult process of approaching each one individually."

For a fee of £100 companies get a confidential dossier on each consultancy and view up to 10 video presentations outlining how each consultancy has developed three particular public relations campaigns. The company can then draw up a short list—with the help of the register's staff — and make direct contact with each.

Quality varies

The quality and content of the video offerings varies considerably—which is usually what happens when consultancies make formal pitches in person. However, by looking at presentations on video companies can save time by eliminating those consultancies not offering the type of service they seek.

Mr C. Allen, general manager of the Covent Garden market authority, says: "We provided the register with a brief of our requirements and from this we were able to view suitable candidates, enabling us to list a number of PR consultancies." He adds that "the use of the register considerably facilitated the onerous and time-consuming task of arriving at a final short list of suitable companies and the fee charged was, in our view, money well spent."

What do consultancies think of the service? Adele Biss, managing partner of Biss Lancaster, says "we have been delighted with the response from the register, which is now a prime consultancy source of serious new business inquiries." She adds that "the conversion rate of new business has been exceptionally high and the PR register is definitely fulfilling a long overdue industry need.

But for companies that prefer not to use such services what other ways are there to choose a consultancy? A survey by AGB Communications of leading companies found that the most common source for hearing about an agency was personal recommendation. However, since that was mentioned by only one in four of the survey there seems plenty of need for companies to have to do the choosing themselves.

According to a number of consultancies and the Public Relations Consultancy Association there are several steps a company should take. Here are some of them.

1—Establish a short list of five or six consultancies with the depth of resources to meet requirements. Fnd out about the various consultancies either from the PRCA or from guides such as the PRCA year bok, the Hollis guide, or the Advertisers Annual.

2—Decide what you think you want from a public relations consultancy and how much you are prepared to spend. A major national building society, asking the PRCA for advice, said: "We want to appoint a public relations consultancy to operate an active programme; total budget of £8,000 to include fees and expenses." This, as any consultancy would tell you, is totally unrealistic.

3—Approach the shortlisted companies and arrange a meeting to discuss their approach and methods of operation. "Potential clients must at this stage expect the consultancy to ask searching questions of their own about the marketing strategy, advertising budget, size of sales operation, PR history and so on," say Peter Nichol, managing director of Communications Strategy.

4—Give the selection of a consultancy the same level of attention you would give to choosing an advertising agency pitching for a large advertising budget. Do not delegate it to a junior manager to sort out.

5—"Don't be impressed by over-glossy presentations," says Jim Dunn, managing director of TPS Public Relations. "Ignore the bull and make your judgments on the people, not the paper," he adds. At the same time check carefully you will actually handle your work and whether or not you can work with them.

6—If you like the people and ideas of one particular consultancy, discuss your public relations programme with them in as much detail as possible as well as the size of budget. "Many prospective clients are reluctant or unable to indicate budgets for public relations, although they would not hesitate to name a figure for advertising," points out Bruce Clark of Communications strategy.

7—The actual presentation of proposals will be the culmination of intensive work and research, blending basic techniques with creative ideas. However, do not judge the presentation solely on its creative content, since in the course of conducting further research the consultancy may want to develop the programme further and even modify its objectives prior to implementation.

8—To help with your selection, talk to journalists who specialise in your industry and quiz them on what PR consultanies perform well in their opinion. Also, ask to talk to consultancies' other clients in order to get a feel for their performance.

Finally, the PRCA offers some advice to companies in how to maintain a relationship with a consultancy. "Your consultancy will be staffed by professionals," it says. "You have retained them to do a job and while PR is by its very nature flexible, don't use your consultancy as an odd-job outfit, expected to interrupt important work on your behalf in order to send flowers to your daughter or find Cup Final tickets at the drop of a hat!"

David Churchill

Growth in corporate and financial sector

STOCKBROKERS, merchant banks and other City institutions have not been alone in enjoying the fruits of a rising tempo in company takeovers, share flotations and other developments like the Government's privatisation of various bits of nationalised industry.

Corporate and financial public relations has also been a major beneficiary. The more established consultancies have grown much bigger, some newer ones have established niches which are proving substantial and there has been a proliferation of "one man bands."

Along the way corporate and financial PR, perhaps more than any branch of PR, has gained a degree of acceptability and respectability exemplified, not least, in the astonishingly high share ratings enjoyed by Good Relations on the Stock Market and, most recently, Valin Pollen on the Unlisted Securities Market.

In the process, also, differing views on the role of financial and corporate PR have become more defined — ranging from those who believe it can assume an advisory role in company boardrooms on a par with merchant banks to those who argue that, though it might be in the boardrooms that PR policy is finally decided, its function is basically to improve communication.

The broadening of the base of PR activity, now taking in parliamentary PR, design and the more traditional advertising function, has prompted restructurings; witness the re-emergence of the PR and advertising activities of the Charles Barker Group under the one banner of Charles Barker City after many years apart. Others, like the previously low-profile Streets Financial, have begun to adopt a more aggressive profile as the more audacious youngsters, like Valin Pollen — regarded by some as still essentially an advertising agency with financial and corporate PR thrown in—grab the headlines in what has become a much more open and competitive world.

Undoubtedly, the competition for business is greater than just a few short years ago. Tacit alliances between consultancies and stockbrokers and merchant banks, for example, are no longer the bond they once were. So takeover or new business which might once have automatically been handled by a PR consultancy close to a particular merchant bank is now frequently up for competitive tender—the "beauty contest" as it is known.

More awareness

This, according to Alastair Campbell-Harris of Streets is partly a reflection of the growing awareness of companies of PR. Instead of leaving choice of PR to their advisers they more frequently make their own choice. None the less, he feels it is a beneficial stimulant and good for the industry's development as a whole.

Maureen Smith, group managing director of Good Relations, suggests that corporate and financial PR is expanding "because business has a growing need to communicate." A spate of legislation in the 1970s, the increasing power and speed of mass communication and other factors have combined to put pressure on companies to explain themselves to Parliament, consumers, pressure groups and others, she says.

Richard Pollen at Valin Pollen concurs with this view and adds that "management also see the need for PR as a means of helping them achieve their management objectives."

Alastair Campbell Harris says: "I see financial and corporate PR as fundamentally two separate activities." One, communicating *from* the City the with takeover bids, new issues and the like); and, two, communicating *from* the City the services on offer (unit trusts, life assurance, pensions, merchant banking, stockbroking and so on).

Mr Campbell Harris also believes that deregulation in the City and the breaking down of traditional barriers between, say, the banks and building societies, will precipitate a rush of new money into existing and new investment mediums—and that financial and corporate PR will again be beneficiaries.

Certainly the strength of the City and its institutions in recent years has been exploited by the likes of Grandfield Rork Collins, a youngster of an agency which has grown fast by specialising in institutional clients.

Whereas financial PR was once primarily the business of making introductions between company and journalist or making sure press releases were issued, the PR consultant is now frequently part of a senior corporate team.

Keith Payne, deputy chairman of Charles Barker City sees the need for a broader range of resources to achieve this. "There is," he says, "now a much greater call for planning, research and testing of the water before proposals are presented to a company."

If the base of corporate and financial PR is broadening, so is the range of people being attracted to the industry. Today, instead of a mix of ex-advertising people and ex-journalists most consultancies can sport anything from chartered accountants to lawyers, analysts, chemists and engineers.

Despite the many similarities between agencies, all endeavour to highlight their differences. Valin Pollen sees its strength in having its directors responsible for all activities when dealing with clients; Good Relations, in contrast, splits activities among subsidiaries, each with its own senior director.

Taking a different view on structure among the biggest PR agencies is Shandwick, the only one among the top three or four which has to date shunned advertising. Peter Gummer, Shandwick's chairman, reckons that for most of his competitors advertising has been a "bolt on" activity.

Instead, he reckons development beyond PR should be on a "supermarket" basis — that is a very broad range of activity which includes not only advertising, but design, market research, direct mail and other related services.

And if this critical assessment were not enough, Mr Gummer will also not endear himself to his competitors with the view that PR firms are not suited to going public—such a route deflects senior management from what it does best, he argues—and that the two which have gone public are unrealistically priced — "I simply do not believe that it is right or sensible, when you look at the sensitivity of client/agency relationships, to price agencies at 40 or even 30 times earnings," he says.

Nicholas Leslie

The outcome of a successful campaign. The duty free area at Gatwick Airport, no longer under threat

CASE HISTORY: OGILVY & MATHER/NIREX

Frank talk on nuclear waste

OGILVY & MATHER Public Relations handles what must be one of the trickiest consultancy accounts in the UK. Its client is NIREX, the Government appointed Nuclear Industry Radioactivity Waste Executive whose task is to find sites in the UK for the disposal of nuclear waste and to win over the local population to the endeavour.

Apart from the challenge, it is a large account—around £250,000 was spent last year, and the fee income is considerable. It also should provide longevity—it will take at least five years before the waste is disposed of at the first selected sites near Billingham in the north and Bedford in the south.

In that period it is the task of Ogilvy & Mather to counter public fears and ignorance about nuclear waste disposal.

So since November 1982 the PR company has attempted to ensure that the NIREX case is given a fair hearing. It does not deal directly with the press: NIREX has its own department for this and agrees that it would look bad if it did not speak for itself in this area.

Ogilvy & Mather has concentrated on Billingham and Bedford, producing both a newspaper, modelled on the popular tabloids, which has been delivered to every household, and a film for showing at public meetings in halls and community centres.

Communicating

As in most PR the consultancy started by commissioning research to convince its client just how ignorant people were about nuclear waste disposal and how off-putting was the industry's technical approach to public relations. Everything now is concentrated on communicating with the public on easy terms: a short cartoon is the latest completed PR tool.

About 70 per cent of Ogilvy and Mather's work is at the local level. Nationally it is attempting to influence opinion formers, in particular MPs and local authority planning bodies. It has also (unusually for a PR firm) commissioned advertising, initially a local Press campaign but with plans for national advertising. In six months' time more research will be undertaken to measure any shift in attitudes on the topic.

By being open and frank, Ogilvy and Mather believes that it is starting to wear down its opponents. It does not believe it is worth entering into arguments with committed environmentalist groups like Friends of the Earth, but it knows that there are still major battles ahead, with powerful interested groups, like the trade unions, and with public opinion at large when the local planning inquiries start at the selected sites.

It is training NIREX executives in media communication, but the biggest battle will be to win over the support of the man in the street in Billingham and Bedford.

Antony Thorncroft

CASE HISTORY:
POLITICAL RESEARCH & COMMUNICATIONS/BAA

The battle for duty free goods

POLITICAL public relations is one of the fastest growing sectors in the industry. Although, in theory, the Government is pledged to get off the back of business, in practice, every year many companies find their profits undermined by new legislation, or the threat of new legislation. In the background is the EEC with its propensity to meddle.

It was the EEC which gave the British Airports Authority a terrible fright when it seemed as if it might legislate against duty free goods: duty free transactions inside the EEC contribute £20m in revenue each year to the BAA, and losing this income would have proved disastrous.

So when the threat suddenly emerged the BAA called in Political Research and Communication, the political PR specialists run by Douglas Smith.

Many top civil servants in the EEC are against the whole concept of duty free goods. They see them as an anomaly in the drive towards a European customs union.

They were given the opportunity to put pressure on for the abolition of duty free when a German supermarket chain appealed against the operation of "butter boats," ships that sailed into the North Sea and sold dairy products, as well as drinks and cigarettes, to passengers once outside the German territorial limits.

This case raised the whole question of duty free, but indirectly, and the BAA was worried that without energetic lobbying the case in favour of duty free transactions might go by the board.

PRC was employed late in 1981. It always tries to get its clients to lobby for themselves (but acting on PRC advice) and it was fortunate that the head of marketing at the BAA, Philipe Hamon, was bi-lingual in French and English and an effective communicator. It sent BAA executives to Brussels to talk directly to the EEC civil servants.

It also arranged meetings with the relevant Commissioner, Mr Christopher Tugendhat. But as well as these obvious forms of communications it widened the protest, drawing in on the side of the BAA all those airlines and airports across the EEC who would be affected by the loss of this business.

Euro MPs who had ports in their constituency, or manufacturers of perfumes or confectionery sold at duty free shops, were approached and persuaded to raise the issue in the European Parliament. By the end there were 7,000 on the mailing list.

Threat removed

As in UK lobbying, the company believes in pinpointing the relevant Euro-MPs rather than approaching the lot. It also had the matter raised in the House of Commons and got a written reply from the Prime Minister supporting duty free.

What the campaign wanted was a re-drafting of the existing law, which was ambiguous, and a clear affirmation of the status of duty free. The success of the drive not only removed a threat but also entrenched the change in legislation.

Of course the press was also brought in, making the point that the 11m people who flew between the UK and the EEC each year would be affected. The overall implication was that with EEC elections coming up, and the Community none too popular, anything which directly affected the pockets of the most influential group in the Community would be a disaster for its future.

This year the enigmatic legislation has been redrafted and duty free has been saved. The cost to the BAA in consultancy fees was above £30,000, a very small price to pay against future profits.

A.T.

Companies and Billings

The following is an alphabetical guide to members of the Public Relations Consultants Association

Billings: 1 up to £50,000, 2 £50,000-£100,000, 3 £100,000-£250,000, 4 £250,000-£500,000, 5 £500,000-£1m, 6 over £1m

Company	Base	1	2	3	4	5	6
Alexander Commns.	Stockport		●				
Baiden Barron Smith	London			●			
Alan Bailey Studios	London	●					
Charles Barker Lyons	London						●
Bentley Simpson Partnership	Stockport		●				
Thomas E Bergman & Partners	Newcastle-upon-Tyne		●				
Bergman-Poe	London			●			
Rosamunde Bern Associates	London		●				
Stephen T R Bird Associates	Reading	●					
Biss, Lancaster	London					●	
Borodin Commns. Group	York		●				
John Bretton Financial PR	London		●				
Brooker & Gordon Partnership	London		●				
Brookfield Commns.	London	●					
Bryant Jackson & Associates	London			●			
Burson-Marsteller	London						●
Carl Byoir & Asscts.	London					●	
CPR	London				●		
Chilmark PR	London		●				
Communications for Industry	Norwich		●				
Communications Strategy Ltd	London					●	
Countrywide Communications	Banbury					●	
Crawford Brickman	London		●				
AFL Deeson Prtnshp.	Faversham			●			
Rosetta Desbrow	London	●					
Dewe Rogerson	London						●
Brian Dowling	London	●					
Robin Dunseath	Edinburgh		●				
EBS Marketing & Communications	London		●				
Daniel J Edelman	London					●	
Edson Evers & Associates	Stafford		●				
Michael Evans Communications	Brighton	●					
Extel PR	London						●
Richard Frost PR	London	●					
Galitzine & Ptnrs.	London		●				
Gandalf Commns. Consortium	Idmiston, Salisbury	●					
Gaunt Spreckley Williams	London			●			
Good Relations	London						●
Granard Commns.	London					●	
Grandfield Rork Collins Financial	London				●		
HJH PR	London	●					
HQO (PR)	Manchstr.	●					
Harcourt PR	Cheltnm.			●			
Roger Haywood Associates	Norwich			●			
Hill & Knowlton (UK)	London						●
Horsemill Commns.	Harrogate	●					
Identity Campaigns	London	●					
Industrial Commns.	London		●				
Industrial & Technical Publicity	London			●			
Infopress	London				●		
Ingram PR	London	●					
Intnl Image Consits.	Glasgow	●					
J P Communications	Sthmptn.		●				
Michael Joyce Consultants	London			●			
Kimbal Bailey & Ptnrs	London		●				
Kingsway PR	London					●	
Ellis Kopel PR	London			●			
LPR (PR)	Lmgtn Spa			●			
John Little Associates	London	●					
MPR Limited	London			●			
MSW Promotions	London	●					
McAvoy, Wreford & Associates	London			●			
Management PR	London		●				
Nicholas Mendes & Associates	Halesowen			●			
Miller & Co	London	●					
Christopher Morgan Marketing & PR	London			●			
Murray Evans Assets.	London		●				
Jane Oliver Publicity	London		●				
Opus PR	London				●		
PB Cmmns. Intnl.	London		●				
PR Consultants Scotland	Glasgow			●			
Pace PR	Mnchtr.	●					
Paragon Commns.	London					●	
Phillips & Hind Associates	London			●			
Phoenix PR	London		●				
Political Research and Comm. Intl.	London			●			
Profile PR	London			●			
Progress PR	London	●					
Public Relatns. Co.	Ha'gate		●				
Public Relations Dpt. (Hilgreen Ltd)	London		●				
Publicity Plus Ltd.	London			●			
Publicity Plus Ltd.	Norwich			●			
RG PR	London	●					
Raitt Orr & Assoc.	London			●			
Michael Rice & Co Ltd	London			●			
Sabatini Taylor & Associates	London			●			
Peter Sawell & Partners	Greenwich			●			
Francis Schuster	London			●			
Joan Scott PR	London		●				
Shale Gornall	London			●			
Shandwick Cons.	London					●	
Shandwick PR	London						●
Shearwater Commns.	Wantage Oxon		●				
Sheridan Commns.	Edgbaston		●				
Sterling PR	London				●		
Tarlington PR	London		●				
Peter Tarrant & Asso.	Weybridge		●				
Tibbenham PR	Norwich			●			
Turner Pitt & Asso.	London			●			
Evelyn Vittery PR	London	●					
Walton Markham Assoc.	London		●				
David Wedgwood	London	●					
Welbeck PR	London						●
Eric Williams & Partners (PR Consultants)	Esher, Surrey			●			
Paul Winner Markt. Communications	London				●		

David Churchill reports on the campaign for higher professional status

Goal of better image and standards

MAKING THE public relations profession into a real profession is probably the linking factor between the industry's two main professional bodies—the Public Relations Consultants Association and the Institute of Public Relations.

Both have as one of their aims the raising of standards all round in an industry which is still growing rapidly and, therefore, potentially open to the slipping of standards which could do irreparable long-term harm.

Fortunately, some of the rivalry between the two bodies—which was apparent a few years ago—has now been eliminated and there is a closer liaison and understanding of their separate roles in the developing PR world.

The Institute is the older of the two bodies, since it was formed in 1948 with the aim of promoting "the development, recognition and understanding of public relations" and to "establish and prescribe standards of professional and ethical conduct."

In recent years, however, the relevance and usefulness of the Institute sometimes seemed in doubt: it had seemed to veer away from undertaking its essential responsibilities as a professional body and as a result had lost much of its authority, standing and recognition.

But in the last two and a half years, the Institute has been reorganised and restructured leading to many changes in attitude and commitment. "The success that has been achieved has been accomplished largely because there has been a continuity of strategy between one institute president and the next, which has enabled work started in one year to be carried on and developed further in the second year," says Peter Smith, this year's institute president.

Mr Smith, however, sees the major goal ahead of the Institute as being the granting of chartered status as a professional body.

"This would underline the seriousness with which we are approaching both the fostering of high professional standards of public relations practice and the seeking of recognition by industry, government and other institutes of the true role and value of public relations," he says.

One of the steps towards achieving chartered status is the raising of standards and last October the Institute's council approved a new education strategy. "Public relations education has been a frequently iterated, sadly neglected, constitutional responsibility of the Institute for too long," says Carol Friend, chairman of the Institute's educational committee.

High flyers

"We have only ourselves to blame if today's high flyers choose another career path than public relations. It will be because we have simply not invested the time and lent our expertise to professional education and training, so vital for the development of public relations practice and tomorrow's practitioners."

Alan Butler, chairman of the PRCA's consultancy management committee, also stresses another aspect of attracting talent and improving standards. "If we are to continue to develop and improve our services, we must be able to attract and retain the best talent. This means high salaries, which must be financed by high profitability arising from better management."

The PRCA was formed in 1969 and now has some 104 members, representing by far the majority of the established public relations consultancies. The association also has 14 overseas associate members.

Members must comply with a code of practice which defines the qualifications and obligations of a public relations consultancy and its relations with its clients. A disciplinary committee handles any breaches of the code.

The association is governed by a board of management under a chairman serving a two-year term. The board comprises 15 members from both large and small consultancies.

Executive decisions are taken by the steering committee, which meets every two months. There are special committees concerned with professional practices, consultancy management, membership, education and training. Two new groups, creative and industrial and technical, have recently been formed.

"The association endeavours to help the potential client and its member consultancies in client education in many ways," says Marie Jennings, the association's secretary. "For example, a new consultancy/client agreement, registered at the Office of Fair Trading, helps consultancy and client to arrive at the right financial and other contractual terms," she says.

Comprehensive

The association also publishes jointly with the Financial Times a Year Book, which provides a comprehensive list of consultancies with financial credentials and client portfolios. Association literature includes a range of guidance papers on public subjects as diverse as lobbying in Europe and planning a royal visit.

Reginald Watts, immediate past chairman of the association, points out that the association is concentrating on three main areas: "The explanation of the cost/benefit equation to the business world as a whole; the raising of standards of entry so that we can meet the higher demands made of us by our clients; and the giving of assistance on consultancy itself in how to improve the quality of their management."

Peter Smith, this year's PRCA chairman, believes there are two other goals the association should aim to achieve in the next few years. One is a European association of consultancy groups to discuss issues that they have in common and the other aim is to develop an education programme for new recruits into public relations consultancies.

Not everyone in the PR world, however, believes that the industry should get too embroiled with the desire to become a true profession. "Certainly, we must all strive to become more professional," says Terence Franklin, managing director of Hill and Knowlton in the UK, "but we must maintain some credibility."

"We cannot hope to match the professions like medicine and the law—but we are already attracting that sort of professional into our business and that must be good in the long-term."

Some statistical support for the belief that the public relations industry is growing up and becoming more professional—the aim of both the institute and association—comes from a new survey of major companies carried out by AGB Communications.

Nine out of every ten of the respondents said that they believed public relations had grown considerably in importance in the past ten years. Almost as many—some 86 per cent—thought people were now realising the potential of public relations, while 81 per cent perceived public relations as a profession rather than a trade but—and this is a big but—nearly a third of the sample believed that public relations agencies were less professionally run than advertising agencies. There is still a lot of public relations work for the public relations profession to do.

Keith Gascoigne (left), managing director, and Tony Moody, director, Gascoigne Moody Associates, the newly-formed Birmingham PR consultancy, against a view of the Witton site of IMI

Slimmer but poised for expansion in the Midlands

THE MIDLANDS as Britain's manufacturing heartland might have taken more than its fair share of the battering brought by recession, but public relations is one sector that has bounced back healthier and stronger, according to practitioners in the region.

There have been casualties through the slimming down of fully fledged consultancies or the axeing of in-house executives—the scale of company failures alone would necessitate such changes. But in general the public relations people have quickly found alternative employment, often by running their own one-person operations.

"The only constraint upon growth as far as we are concerned is the availability of account staff of suitable quality," says Mr Nicholas Mendes whose consultancy of the same name hopes this year to hit a revenue target of around £250,000.

Mr Mendes is a larger-than-life personality, noted for his flamboyant floral button-holes and outspoken comments on the FT letters page—"I compose them as I am mowing the lawns," he says.

But his style has brought expansion. Turnover has more than doubled during the recession. He has moved to new premises officially opened by the unofficial minister for the West Midlands, Mr John Butcher, and employs a staff of 16.

The upturn has come through new customers rather than existing clients, who have tended to put a brake on spending. Mr Mendes does not believe that PR companies are fishing in a limited pool: "More and more people are coming to us who have never considered public relations before."

Mr Mendes believes an important factor in increasing the status of his trade was the formation in 1969 of the Public Relations Consultants' Association, of which he is the director for consultancies outside London.

The aim of the association is to raise professional standards and ensure members adhere to a code of practice. Membership of the association gives added authority, according to Mr David Clarke, chairman of the West Midlands group of the Institute of Public Relations which people join on an individual rather than company basis.

More interest

Mr Clarke says institute membership in the region has climbed to 120 and there is increasing interest in its activities.

An important boost for the sector came with the cuts in advertising budgets. Companies turned to public relations and the hope of mentions in editorial columns as an alternative to buying space.

"Industry is paying far more attention to public relations. It is increasingly seen as an important management skill," Mr Clarke says.

Mr Clarke, as managing director of one of the larger consultancies, Graham-Rots and Co, believes that the image of companies in the region has been enhanced. "I think the Midlands can equal and better a good many of the consultancies in London."

He concedes the Midlands might have lost out because of the stress placed in the past upon links with London-based contacts and media. "But the region can now offer Midlands companies a full range of skills coupled with an on-the-doorstep service."

Karin Parslow, a director of Swift Public Relations, based in Lutterworth and dealing with industrial clients within a 25-mile radius, says many small firms are using PR for the first time.

She adds: "Clients can also see that a consultancy near to hand cuts overheads and travelling costs to the minimum."

Perhaps the best illustration of the mounting confidence and growing sophistication of PR services is the launch scheduled for next week of a new agency, Gascoigne Moody Associates.

Mr Keith Gascoigne, a former journalist with the Daily Telegraph, Guardian and Birmingham Post, claims: "Something of a first for the Midlands."

He is taking the IMI in-house PR team, of which he has been manager for the past 14 years, "into the market place."

He says that from day one he will have one of the biggest PR consultancies outside London. With him he takes the IMI corporate account and that of a number of subsidiaries. IMI, with a turnover of £633m a year and more than 24,000 employees, is clearly one of the blue chip companies in the region.

Mr Gascoigne says IMI has used the recession to move into new markets and new products: "The Midlands is a region that presents opportunities for growth which may be far different from the traditional trades. Such companies need to project their message not just to national but to international markets."

Arthur Smith

TV needs help Bristol and Cardiff

"THERE IS absolutely no truth in the belief that the world of public relations begins and end in London. It is possible to make an equally big impact outside."

KEN MATTHEWS, managing director of Bristol-based PR consultants Frise Matthews, is a stout defender of the provincial public relations industry and the signs are that his message is being heeded. There are indications of growth in the PR business in both Bristol and Cardiff.

In Bristol, a number of agencies are recruiting additional staff and in Cardiff, a London-based agency, Markham Associates, has just opened a regional office to develop what its researchers see as a growing market for PR consultancy in South Wales.

Growth is being encouraged by several factors. Whereas in the old days, the PR budget was the first item to be axed by companies having to tighten their financial belts, the experience of the deep recession of the past three years has encouraged a reappraisal.

"More and more companies with a product or service to sell are recognising that they are in a different ball game; that it is no good just waiting for the upturn but that active promotion is perhaps the only way to achieve growth and increased market share," says Mike Smith, managing director of GSPR in Cardiff.

The net result is that, if anything, advertising rather than PR budgets have tended to be hit by corporate financial stringency. PR is cheaper and, arguably a more cost effective way of using a very limited budget.

The PR business in Bristol and Cardiff is also being aided by a growing realisation that it is preferable to have the PR consultant close to the company or organisation's headquarters, where he or she can, if need be, provide advice and assistance daily, rather than someone who is merely on good lunching terms with the Press and media in London.

"Clients are increasingly looking to their PR consultants for more than a scrapbook full of cuttings—they expect sound marketing advice and assistance in a much wider field," says Tim Stanley of Golly Slater in Bristol. In an increasingly complicated world of business and industry, a PR consultant needs to be on the spot to master the details of a product or process in order to promote its merits to the wider world.

Offshoot

Sally Paynter began Barney's PR business four years ago as an offshoot of an advertising business specialising in high technology and industrial accounts. Over the past year several of its clients have gone public, involving the agency in providing material which explains to brokers the precise merits of the high technology products coming forward and their growth prospects.

A measure of the PR side's own growth is that Barney's PR is shortly to be floated off as a separate company.

Another helpful trend for provincial PR consultancy business is the growth of regional television and local radio. The big London houses can be at a distinct disadvantage when it comes to executing regional campaigns. They simply don't have the local knowledge required to tackle sensitive local issues like industrial relations problems.

Sally Paynter, director of Barneys PR

That said, the PR business in Bristol and Cardiff still has difficulty winning large industrial clients. Though a large company's manufacturing operations may be in Wales or the South West, the fact that the headquarters is elsewhere still tends to mean that the PR is handled from London or even further afield.

Most business comes from small- and medium-sized local companies which are anxious to grow or have particular PR problems to solve. But, as Jane Bodin of Bristol-based Jane Bodin Associates points out, the company or organisation using the provincial PR almost invariably gets more concentrated personal service than is available from the large London-based agencies.

"They won't find themselves dealing with the trainee," she notes. As such, provided there is a clear understanding on what constitutes results, the local PR consultancy tends to offer just as good value for money.

Robin Reeves

Billings show strong growth north of the Border

ACCOUNT BOOKS are bulging among public relations companies in Scotland. In many ways the rapid growth of this industry north of the border could be a healthy economic indicator at a time when the long decline of Scotland's manufacturing sector appears to have neared the bottom.

While firms among the clutch of 15 or so more active in public relations admit that they are several steps behind London, they point to a growing readiness of companies to project their achievements, of an increasing sense of accountability among the public sector and a real grasp of the need for good internal communications between companies and government.

For some companies relations with the press may no longer be as much a priority as helping management get a message through to staff. Public relations men may not always be ex-journalists but marketing men and women as well.

The speed of the growth has also seen varying specialities and a particularly wide divergence of views about the relationship of public relations and advertising.

Colin Liddell, the 36-year-old chief executive of PR and advertising for Charles Barker in Scotland strongly favours the right mix of PR and advertising. "Traditional advertising agencies without any experience or facilities in public relations are finding themselves in trouble," he notes.

The way the mix is not upset by the vast discrepancies between advertising and public relations fees appears to have been overcome at Charles Barker by putting a public relations man in charge. Turnover in terms of the value of accounts has increased between eight and nine fold since Mr Liddell left the Scottish Development Agency for Charles Barker two years ago.

Size and a London or National link-up is not crucial in Scotland. Pam Crawford of Melville Crawford runs a small firm in Edinburgh. Her portfolio includes Gleneagles Hotels which was recently taken over by Bells whisky in a hotly-contested bid with the centre of activity shuttling back and forth between London and Edinburgh.

She reports a readiness of English companies to rely on a Scottish public relations company for their contacts in Scotland rather than use London-based agencies. Bigger companies are also shedding a long-standing introversion.

Unlike Mr Liddell, she feels advertising and PR do not mix. The size of advertising accounts, she says, means the advertising side can lean on the public relations side and possibly damage public relations credibility.

George Hodge, another Edinburgh-based public relations man agrees. "I want to stay *as far away from advertising* as possible," says the man who has handled Hongkong and Shanghai Bank during its thwarted bid for the Royal Bank of Scotland, and Charter Consolidated in its successful takeover of Anderson-Strathclye.

Hodge steers away from product PR to specialise in the service sector. His local authority and public corporation customers have been encouraged to tell their public of their activities and how they spend their money. "I tell them they need to get across to the people who pay them — the taxpayer," he says.

Mr Bill Simpson, head of public relations at the Scottish Development Agency, feels that the industry is still in a development phase in Scotland. "With 64 per cent of the jobs in the service sector in Scotland, this means that there are a lot of people out meeting the customers and clients," he points out as a fundamental argument for the internal message to get through to employees in companies and public bodies.

Companies can be harmed by long-range criticism of headquarters by employees who don't really understand what management is trying to do.

Mark Meredith

Plenty of room for development in the northern area

PUBLIC RELATIONS in the North of England encapsulates a number of characteristics different from those found in the South-East. It is also revealing changes and some new trends emerging partly on the back of the recession.

A clue to the distribution of public relations agencies and the relative importance of the indstry area by area is provided by the Hollis PR Yearbook.

Out of slightly more than 100 independent public relations operations in the North, almost half are based in Gerater Manchester and Cheshire. Office relocation from the centre of the older north west conurbations is likely to mean a growing PR influence from within the latter county. West Yorkshire has slightly more than a dozen public relations firms with smaller numbers in the counties of Tyne and Wear, South Yorkshire, Merseyside and Lancashire. North Yorkshire which has a similar number of companies to these counties is surprisingly well off given its largely rural nature. Not surprisingly, Durham, Cleveland and Cumbria have just one or two PR agencies.

Characteristics

A few general characteristics of northern public relations consultancies stand out. Mr Andrew Lincoln of Barnaby and Tarr in Manchester sums up a frequently expressed view: "The PR industry in the North is extremely underdeveloped. There are a lot of companies which are just afterthoughts of advertising agencies and there is a lack of professionalism."

Northern companies tend to be much more orientated towards products than those in the South, and with less involvement in corporate financial matters and employee communications.

This is reinforced by the much greater proportion of industrial newspaper reporters who move into public relations and continue to specialise in the industries that are or were important in the area. This results in very close involvement with the trade press.

Though there are some very sophisticated public relations operations in the North, this industrial backcloth underlines the rather less "smoothie" and more down-to-earth nature of PR.

Mr Steve Ashton of Eliot-Marshall, one of the bigger consultancies in Manchester, with a staff of 11 and billing of £250,000 a year, says northern consultancies have tended to be "small jobbing PR shops, staid, technical and heavy."

Eliot-Marshall and a few others, however, have been trying to inject what Mr Ashton says is the "Southern approach."

Some northern PR firms, however, tend to be involved in the broader spectrum of activities of their client's companies more than consultancies in the South, says Mr John Davis of John Davis and Associates, in Hull.

This might involve brochure production, for example, but is perhaps more noticeable in community involvement. This has been particularly marked during the recession with many client companies trying to project their image through financial assistance to or other forms of promotion of small businesses, youth training, and urban regeneration.

Some PR agencies argue that there is now a move towards involvement in more general product marketing. This includes greater PR involvement in client company management decision-making, according to Jan Morris Associates, Sheffield.

Mr Nick Cole of MCC, in Altrincham, says that for two of its principal clients with consumer products, it is now a matter of dealing with senior management.

It is still true, however, that there is much greater suspicion and less understanding of public relations on the part of manufacturing companies in the North than in the South.

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Down to earth

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Some public relation agencies say there is a move towards involvement in more general marketing with greater PR involvement in client company management decision-making. It is still true however that there is much greater suspicion and less understanding of public relations on the part of manufacturing companies in the north than in the south.

This is frequently a source of irritation on the part of PR companies and partly accounts for the low number of public relations agencies in many northern towns and cities. Until a few years ago there was believed to be only one independent completely-PR orientated company in Sheffield.

Nick Garnett

THE ARTS

Architecture

Colin Amery

New "heritage mandarins"

The heritage of historic buildings and monuments in England is a fragile thing. It can suffer from too little care and attention and it can suffer from too much. It is so vulnerable that a plenitude of official, unofficial, professional and amateur bodies gather round to protect it and struggle to preserve it.

Today a new body has arisen with new powers which come into force from the beginning of this month. It is the *Historic Buildings and Monuments Commission for England* which was set up as an arm's length quango under the National Heritage Act of 1983. It will be an independent agency funded principally by the Treasury but with powers to raise revenues, own and endow property and to apply entrepreneurial skills to the management and marketing of that part of the heritage that comes directly under its control.

The area of that amorphous thing, the "heritage," that it will control is substantial. All the sites and monuments formerly in the care of the Department of the Environment will be handed over to the new Commission. "Handed over" is rather an exaggeration because although the Commission is new and has new powers, the personnel are likely to be the same civil servants under another name.

Among the sites and buildings the new commission will control are Stonehenge, Dover Castle, many of the less well known and visited archaeological sites, the iron bridge at Coalbrookdale and the Roman remains throughout the country. At present the Commission will not acquire the prime commercial attractions in London; the Tower and Hampton Court Palace and none of the Royal palaces will be looked after by the Commission.

What exactly is the new Commission's brief? It is charged by Parliament, with the responsibility of protecting and preserving England's architectural and archaeological heritage. It takes over the work of the Historic Buildings Council and will give grants, continue town schemes and the funding of conservation areas and the co-ordination of rescue archaeology.

The chairman of the new body is Lord Montagu of Beaulieu, an old hand at the running of museums and country houses in the private sector. His chief executive is Peter Rumble who was a civil servant and former head of the Directorate of Ancient Monuments and Historic Buildings with the Department of the Environment. There are, at present, 12 other commissioners, including the Duke of Gloucester, Mrs Jennifer Jenkins the former excellent chairman of the Historic Buildings Council, two professors of archaeology and an unexceptional range of architects, businessmen and conservationists.

Just when conservation has become a hot political issue the Government has created a body that is less vulnerable to public scrutiny through Parliament and detached from any Minister that might take a strong lead on preservation issues. The Commission is empowered only to advise the Secretary of State on listing and scheduling of buildings and monuments.

It seems that the real role of this new group of heritage mandarins is to perform the most delicate balancing act in public. They have been empowered under the Act to "promote" the monuments in their care and to make money from them and encourage the public to learn from them. They will not have the direct services of the scholars of the Royal Commission on Historic Monuments who will remain outside the new arrangements, and this seems to be a severe loss. Indeed, the new chairman, Lord Montagu, spoke in the Lords in favour of the inclusion of this august body. "I can see no good reason for leaving it out on a limb." Instead the educational aspects of the new Commission's work will be undertaken in many ways from scratch. The work of Lord Briggs's Heritage Education Group will presumably be taken into account.

Stonehenge will have new masters from today, can it be enhanced as a monument?

Balances will have to be struck between the other groups working for the preservation of the heritage particularly the National Heritage Memorial Fund and the National Trust. It is a puzzle that the Government did not consolidate all the existing heritage legislation in a coherent Bill instead of the series of isolated measures that we have seen so far.

Lord Montagu will receive a grant in aid from the Treasury of some £52m for the next year. Of this sum, £17.8m is for historic buildings, £5.3m for rescue archaeology and £1.5m for ancient monuments. Maintenance, administration and setting up and running the new commission will take up most of the rest. Will the funding be allowed to carry over from year to year? Maintaining and repairing historic buildings is a long term business that does not respond well to short term funding. It is to be hoped the new body will continue the excellent relationships that the old Historic Buildings Council had established over the years with local authorities particularly in relation to the restoration of whole areas of historic towns and conservation areas. The kind of expertise that is now available should not be dispersed.

Lord Montagu will announce today that the new Commission will invite members of the public to become Members—season tickets and other advantages will be offered to families. He will also announce that he has initiated the first private sponsorship for the Commission's educational work from the American Express Company.

He is keen to encourage sponsorship and the work of volunteers and it is possible that volunteer guides will be available at some of the Commission's sites. Lord Montagu is lobbying the Government already to retain the GLC's Historic Buildings Division as an entity and it is quite on the cards that powers may be sought to incorporate it into the new Commission, although extra statutory powers would be needed.

As the Commission can own property it is not unlikely that a house in danger, like Kedleston in Derbyshire, may be bought for the nation and run by the Commission. With power more centralised and yet less directly accountable it is to be hoped that any danger of over commercialisation of the heritage will be avoided. There is enormous public interest in history and I hope the new commission will move carefully and sensitively to protect without exploitation and care with scholarship and taste. You do not need souvenirs to help people understand Stonehenge: England's past needs care but also to be allowed to speak for itself.

Budapest's Spring Festival

David Murray reports that 'the musical side teems anarchically'

Budapest has just held its fourth Spring Festival. Since it runs for ten days to the last Sunday of March, spring is hopefully invited rather than counted upon. Last year the hounds were just nibbling at winter's traces, but this year the city glowed with vernal confidence. We foreign journalists, lavishly accommodated in the Hotel Duna Inter-Continental, rose each morning to see the royal heights of Buda touched with pink and gold across the Danube; the river, hardly wider there than the Thames at Waterloo, was a mirror across which long, slender barges drew silver triangles behind them. It is never, I think, blue—but its rococo curves and elegant bridges make lovely vistas from both banks, and from the high *citadel* a *resplendent* cityscape to match anything in Europe.

For Westerners, to whom Hungarian is impenetrable by virtue of its Finno-Ugric grammar (modern borrowings are few; one recognises scarcely a word), the twin cities and the music are the Festival's chief attractions. English and a little luck will get you about, but basic tourist German is better insurance. There is plenty of lively theatre (and puppet-theatre of a distinguished order), but of course in Hungarian, bar the occasional German performance.

Art exhibitions, both the permanent fixtures and the special shows, are easier. The Renaissance collection in the Museum of Fine Arts is a revelation (the stolen canvases have been happily recovered, and the security arrangements hastily rethought; Budapesters were keen to recount the *real*, operetta-colourful story of the theft beyond the international reports). In the National Gallery I found an exhibition of brilliantly witty film posters (for familiar Western films, invariably superior to our routine equivalents).

The musical side of the Festival teems anarchically. Concerts and solo recitals jostle for attention (always at night, unlike—say—Edinburgh). No running theme has been tried on yet, unless you count this year's cycle of the Beethoven symphonies, divided between the unequal talents of several conductors and dampened by the withdrawal of the revered János Ferencsik, gravely ill. The State Opera re-opens after lengthy restorations in September, and might provide a focal point for next year's Festival. The great national composers—Liszt, Bartók and Kodály—are correctly represented, but none of them was prolific in enough media to build annual programmes around them.

In the past year a Festival Orchestra was formed, drawing upon the best players in the many Budapest orchestras. It wasn't heard during the Festival: apparently jealous complaints from the established bands carried the day. In Beethoven I heard the Budapest Symphony under György Lehel, and the Hungarian State Symphony under Zoltán Peskó—both in an unbalanced sort of way: Hungarians think the best seats are just behind the conductor, though flat stage-platforms mean that you then see nothing (nor hear much) of the woodwinds, though you can study the violinists' socks at leisure. In effect I heard four Beethoven symphonies as if for violins and cellos—luckily, Hungarian string-playing is among their chief musical glories—with distant interjections from the winds.

The vigour, naturalness and musical unanimity of Hungarian players is a reliable pleasure and a tonic. In the 6th and 7th Symphonies Lehel seemed to think that was enough, as it almost was—but something like a decisive interpretation would have given the finale of the 6th more culminating breadth, and would have prevented the finale of the 7th from becoming an unbridled timpani - concerto. Peskó's accounts of the 8th and 9th made more judicious use of everybody's strengths. Even with backward winds and the dull acoustic of the Erkel Theatre, the "Choral" Symphony developed nobly, and the bass Sándor Sólyom-Nagy led the finale with an inspiriting authority that I haven't heard in a long time.

Besides Sólyom-Nagy we had the soprano Júlia Kukely, whom I admired in the Matthias Church last year, and who sound irresistibly brave and bright (granted a slight beat in the voice) in the "Choral." This year's main concert in the Matthias Church — I said last year it was "like Keble come to Byzantium," and I'll stick to my guns—gave us Liszt's "Esztergom" Mass, better known in German as the *Graner-Messe*, and Kodály's *Psalmus Hungaricus*. In each András Ligeti conducted the Hungarian Radio Symphony, and each boasted the lusty, cultivated tenor of Dénes Gulyás.

Liszt's Mass was composed for the consecration of the vast basilica at Esztergom. Were the Festival on its toes, it would have sent us off in buses to hear it there in full echoing cry; but in any case we needed a more searchingly theatrical performance of this close-knit, Wagnerian work than Ligeti could contrive. His innocent, forthright reading missed its poignant Brucknerian pre-echoes as well as its radical thrusts toward Mahler. The Kodály was altogether safer, and made a bracing noise.

The International Composers' Competition again produced a rewarding concert, this year of the winning wind quintets chosen in 1983. (The latest prizewinners are piano trios, to be heard next spring; the 1985 competition—deadline February 28—is for piano variations or fantasies on Liszt, whose centenary is due.) Two of last year's string-quartet laureates recurred: the Russian Vladimir Holshchevnikov, whose quintet combined elaborate "system"-textures with gritty plaints, and the Hungarian Miklós Csemiczky, whose "Capriccios, Epitaphs and Choral in memoriam Igor Stravinsky" cocked a faithful ear to the Master's style of chord-spacing.

Odder, and on the whole more interesting, were Thomas Blomenkamp's *Three Fragments* — broken evocations of German artists whose lives ended with the Great War — and Roberto Sierra's *Salsa*, whimsically ingenious treatments of Latin-American dances. I should like to hear it played with more candidly popular swing than the good Hungarian musicians dared; but really all these first performances met very high standards. The prospect of having a lot of brilliant young Hungarian pianists set loose on the winning Liszt fantasies in 1986 is exciting.

The Seraglio/King's Southsea

Ronald Crichton

Kent Opera's new *Seraglio* reached Southsea on the spring tour last Thursday, two weeks after the first night at Dartford. To judge from descriptions of that occasion, things have improved. Thursday's performance started late and lost more time en route. I was only able to see part of the last act. This report therefore must be incomplete. When I left the theatre the hastily planned and soon-to-be-foiled attempt at escape from the harem was about to be executed.

The *Seraglio*, with Mozart lavishing coruscating emotion, colour and musical invention on a poor libretto, is notoriously fraught with performance problems. The dramatic framework is flimsy and clumsy. Mozart's sense of what to set to music and what to leave in spoken dialogue is still unreliable. The ambitions of a homely German *singspiel* are wrenched several rungs above their station by vocal writing tailored for exceptional virtuoso singers.

With Mozart's operas so firmly established in the repertory, and since humdrum repertory performances of *The Seraglio* do the work feeble justice, there is a case for treating it as a festival opera, a bonne-bouche to be done only when there are adequate singers available, with a budget and talent to mount it in the way Mozart's music demands. Elaborate spectacle is neither necessary nor desirable, but whatever today's producers may think, *The Seraglio* deserves to look as ravishing as it sounds.

Norman Platt's production is plain. Knockabout humour and heavy symbolism are shunned like the plague. There is no sense of imprisonment. Movement is limited by Roger Butlin's formal garden sets with ornamental pieces of water to be circumvented, the distance filled with three-dimensional flamingoes or a toy St Sophia. Colours are mostly creamy white and dark enamel blues, brilliant but cold, with the deathly unreality of perpetual moonlight.

Some of this coldness creeps into Ivan Fischer's conducting. The sound of the company's orchestra in the excellent acoustics of the King's, Southsea, was admirably crisp and clear, but tempos fast or slow, were unyielding, and Mr Fischer allowed tiny pauses between sections, interrupting the dramatic current. Kent has an unusually presentable Belmonte in Maldwyn Davies, who is becoming, by any standards, a valuable Mozart tenor. Long may he keep away from too heavy roles.

Since Angela Denning's Constanze improved greatly during the evening, her three arias may be taken in reverse order. "Martern aller Arten" (I can't pretend to have noted Michael Irwin's first English lines) was intelligently and expressively phrased, in spite of stiff vocalisation. "Traurigkeit" had the same virtues in smaller measure. "Ach ich liebte," not the least revealing of the three, was uneasy, with constricted tone. Surely an injection of the appoggiaturas this area so badly needs would help the singer relax? A string of blunt endings palms a glum picture of the character. Strange that a conductor as sensitive as Mr Fischer to Mozart's orchestral texture should be less sensitive about vocal lines.

A blessedly un-pert, securely sung Blonde from Eileen Hulse, a lanky ninny of a Pedrillo from John Graham-Hall, who nevertheless managed "Frisch zum Kampfe!" with more address than most light tenors. The Osmin of Harry Coghill, lean, mild-angered, unfrightening, forfeited the gratitude earned for playing down the clowning by under-nourished singing. Dialogue (reduced) was too carefully handled. All could learn how to balance formality with naturalness from Andrew Shore's almost too soft-spoken Pasha.

Alto-sax/piano duo to tour Britain

Alto-saxist Lee Konitz and pianist Harold Danko are visiting Britain this month for a national tour featuring duo and quartet performances with Dave Green (bass) and Trevor Tomkins (drums).

The quartet tour opened with a gig for Birmingham Jazz Club at the Strathallan Hotel last night, Sunday.

A Midsummer Night's Dream/The Other Place

Michael Coveney

The RSC's Stratford-upon-Avon studio season opens with a twee and unexceptional production by Sheila Hancock of the *Dream* which has been touring schools and colleges courtesy of the NatWest. Stuffed into the Avonside Nissen hut, celebrating this year its tenth anniversary, the show makes no ground as a small-scale reappraisal (who, anyway, wants the *Dream* small-scale?) and opens and closes with the sort of toe-curling audience contact that even Shared Experience now eschews.

You double-take on the advent of the mechanicals as Victorian casters tuning their instruments (wind, kettle and washboard) thinking Bill Bryden's National production has survived the South Bank scheduling. As in that show, the fairies are neglected inhabitants of Theseus's house, a screaming torch song leaping briefly from the cobwebbed wardrobe, thus at a stroke resuscitating the influence of C. S. Lewis as a Shakespearian critic. Inside the illuminated wardrobe, we glimpse evidence of an enchanted forest. A neat idea, but hardly first-rate. The fairies squeak and chatter like ethereal robots and shrivel at the coming of the dawn.

As usual these days, Theseus and Hippolyta are doubled with Oberon and Titania, in this case by Roger Allam doing a passable imitation of Ian Richardson, and Penny Downie, an Australian actress I last caught in the Adelaide premiere of *A Map of the World*. Miss Downie speaks well, though not resonantly, misses out on eroticism entirely, and renews her fairy wedding in a startling display of balletic release to the mysterious accompaniment of some even more mysterious tom-toms.

You could think of Lysander as a rebel, but never in this production. Demetrius and Lysander, in fact, are virtually indistinguishable in the performances of Christopher Baines and James Simmons. The only impressive member of the quartet is Amanda Root's compelling Hermia, a full-blooded reading with many pleasant grace notes from this fearsomely talented actress. But even here the role is directed straight down the traditional middle. The big tiff scene is chock-full of all the old-fashioned clichés, even down to the two boys stomping off in stagey unison for their duel.

There is nothing fresh or original in Miss Hancock's approach to the play. As a result, the play is deprived of real life, reverberating in the hollow void of how you *expect* to see it done.

The uncharacteristically inept costumes by Priscilla Truett allow Mr Allam to splash his torso in glitter dust and the two girls to make ungainly entrances as grey-coated suffragettes. A glitter-ball hovers *threateningly* above the final scenes and, sure enough, the processional finale is done with hand-held candles. At the bergomask we all have to join in, clapping the rhythm. There are some horrible goblets at the wedding feast. The overall design is by Bob Crowley, who is much better represented in *Henry V* across the road.

The mechanicals are reasonable, though I have seen a lot funnier. Jimmy Yuill is a marvellous Snug, drying on his own name in the comical tragedy, and roaring so violently as the Lion that he knocks himself out and has to be untangled from his costume and unceremoniously removed. In a deft touch, he is also the huntsman, tousled and bemused, awoken rudely from slumber by Theseus to rouse the lovers.

Frank Middlemass is a mottled, benign Quince, and Philip Jackson as Bottom turns up for rehearsal with a monogrammed script and a red bow tie (even Simon Callow might consider that going a little too far) before landing a role beyond his wildest dreams. When transported, he resembles a bearded bunny, and plays off the surprise among his colleagues very well. A warm actor is Mr Jackson, but an element of nightmare and, indeed, sexual participation in Titania's fantasy is badly missing. The Puck of David Whitaker, I am afraid, with his whimsical word signalling, *diabolical cornets*, innocuous pipes of Pan, and inane little jigs, would be more at home in Regent's Park.

Ballet Rambert/Sadler's Wells

Clement Crisp

The final programme of the Rambert season brought a new ballet from Richard Alston set to a selection of madrigals and *scherzi musicali* by Monteverdi, well played and sung by Rambert musicians and three male voices. The piece is *Voices and Light Footsteps*, and six men and three women are involved, their costuming with its sun-bleached colours, diamond and striped patterning, vaguely Renaissance in mood; the soft boots worn by the dancers accounting for the light foot-steps of the title. There is a back-drop of "antiqued" and crumpled parchment, and the general feel of the dances is gently vigorous, gently emotional. The men do rather better than the women—who tend to anonymity of style and presence — and are better served by the choreography, which makes neat use of trios and duets.

After a rather scampering *beginning*, Mr Alston starts to show his quality in the ravishing *Zefiro torna*, whose overlapping melodic line is explored in canonic dances for six men. A succeeding madrigal hints at an unhappy relationship between Ikky Maas and Hugh Craig, and this is contrasted with the serene and, be it said, rather dull duet for Mary Evelyn and Albert van Nierop that follows.

The three women appear fancy-free in *Non voglio amare* which comes next, and we almost assume a final rounding out of the work in the delicious *Chiome d'oro* for the entire cast. But Mr Alston pulls off a cunning emotional coup by closing with the mysterious *Interrotte speranze*, which is a duet for Mr Craig and Mr Maas of tenderest feeling and intense rapport: he provides a reasonably "happy ending" to the relationship at which he has earlier hinted.

The duet also inspires the most imaginative choreography of the work; earlier clichés of style—the straight extended arm; the long, but not very stretched, arabesque — are avoided; the dancing is physically responsive, very alive.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

March 30–April 5

Music

NEW YORK

New York Philharmonic (Avery Fisher Hall): Zubin Mehta conducting, Alexis Weissenberg, piano. Druckman (world premiere), Beethoven, Dvorak (Tue); Zubin Mehta conducting, Brigitte Engerer, piano. Haydn, Boulez, Chaikovsky (Thur). Lincoln Center (874 2424).

Carnegie Hall: Academy of St Martin-in-the-Fields Octet. Spohr, Leighton, Shostakovich, Mendelssohn (Mon); Giora Feidman clarinet and bass clarinet recital: Miron, Schorr, Taras, Goldfaden, Kern, Goodman, Verdi, Bach (Wed): Elly Ameling soprano recital: All-Schubert programme (Thur). (247 7459)

WASHINGTON

National Symphony (Concert Hall): Tue, Wed, Thur. Kennedy Center (254 3776)

CHICAGO

Chicago Symphony (Orchestra Hall): Henry Mazer conducting, Ian Hobson, piano: Mozart, Sibelius, Rachmaninov (Thur). (435 8122)

LONDON

City of London Sinfonia, conductor Robert Ziegler, Neil Smith, guitar: Mendelssohn, Handel, Faure, Rodrigo. Royal Festival Hall (Mon) (928 3191)

Royal Philharmonic Orchestra, conductor Moshe Atzmon, Christina Ortiz piano: Rossini, Handel, Rachmaninov, Dvorak. Barbican Hall (638 8891) (Mon)

Philharmonia Orchestra, conductor Simon Rattle, Elsie Ross, soprano: Wagner, Berg, Mahler. Royal Festival Hall (Tues)

Bournemouth Symphony Orchestra, conductor Rudolf Barshai, Yefim Bronfman piano: all-Brahms programme. Barbican Hall (Tues)

London Mozart Players, conductor Harry Blech, Peter Frank, piano: Schubert, Mendelssohn, Mozart. Royal Festival Hall (Wed)

Philharmonia Orchestra, conductor Simon Rattle, Dame Janet Baker, contralto, John Chamber, viola, Andrew Shulman, cello: Berg, Mahler, Strauss. Royal Festival Hall (Thur)

Andrei Nikolsky, piano: Rachmaninov, Liszt, Prokofiev. Queen Elizabeth Hall (Thur) (928 3191)

ITALY

Milan: Conservatorio Giuseppe Verdi: piano recital by Alberto Colombo; Debussy, Schumann, Prokofiev (Wed) (70 17 55)

Rome, Oratorio del Gonfalone: Giorgio Cerasoli (clavichord) playing Bach (Thur) (655 952). Auditorio di Via della Conciliazione: Brückner, Schumann, conductor Sinopoli (Sun, Mon, Tue) (654 1044). Teatro Olimpico: Beroff-Collard piano duo playing Debussy (Wed) (393 304)

PARIS

Unesco Exceptional Concert: Pogorelich, Cotrubas, Paraschivescu, Menuhin: Chopin, Liszt, Duparac, Beethoven (Tue) Unesco, 119 Ave de Suffren. (568 1000)

Orchestre Français d'Oratorio: Beethoven, Handel (Tue) Saint-Roch Church (261 9326)

Archets Français: Vivaldi's Four Seasons (Wed 9pm) Sainte-Chapelle, bookings on arrival.

Nouvel Orchestre Philharmonique Radio France conducted by Janowski: Berlioz – Te Deum (Thur) Saint-Louis des Invalides Church (524 1516)

VIENNA

The USSR State Symphony Orchestra: conducted by Yevgeny Svetlanov, soloist Valery Klimov, violin. Miaskowski, Svetlanov, Rachmaninov. Musikverein Grosser Saal. Tues, Wed. (658 190)

ZURICH

Tonhalle: Tonhalle-U, Theaterorchester: Altmeyer, Dernesch, Martin and Hermann conducted by Ferdinand Leitner performing Richard Strauss's Elektra (Mon) (251 6922). Piano recital by Urs Ruechti: Bach, Mozart, Schumann, Ravel (Tue) (221 2283)

BRUSSELS

Belgian National Orchestra conducted by Mendi Rodan with Yuri Egorov, piano: Mozart, Mahler. Palais des Beaux Arts (Thur)

WEST GERMANY

Berlin, Philharmonie: Berlin Philharmonic Orchestra conducted by Lorin Maazel and pianist Claudio Arrau and Wolfram Christ: Beethoven and Berlioz (Tue, Wed)

Frankfurt, Alte Oper: Montreal Symphony Orchestra, conductor Charles Dutoit, pianist Martha Argerich: Schumann, Prokofiev, Ravel (Tue)

Henry V/Stratford

Michael Coveney

The Stratford-upon-Avon season opens on the main stage with a truly magnificent production by Adrian Noble of a play the Royal Shakespeare Company has fought shy of except in its history cycles. Michael Williams headed a small theatre version, but otherwise Ian Holm and Alan Howard have found aspects of King Henry to enlarge full-blown Prince Hals.

Kenneth Branagh who sprang fully formed from RADA into *Another country* is of slight build and natural authority. He speaks Shakespeare as well as anyone in recent years in Stratford and he does so without a trace of verbal or physical mannerism. He is undemonstrative, but powerful. His ambling progress across the opening scenes could be the result of acting or perhaps shyness. You soon know. He is listened to as a king but only sounds like one when presented with the French tennis balls. He explodes with passion.

Jingoism is no part of this production because unlike when Olivier made the film it is no serious part of British public life. The aberration of the Falklands campaign gives this lack of jingoism in *Henry V* at Stratford an added rather poignant twist. "Now *all* the youth of England are on fire" begins the chorus, as if the nation's king had reluctantly joined the country's mood despite all that egging on from the court where, incidentally, Harold Innocent lights up Canterbury's long speeches with the vicious glee of a born political gossip.

The show starts with Ian McDiarmid reflating his own rhetorical Chorus act within the first speech. He leads us through a spectacle while apologising for its paucity. He ridicules the brawls he is to present then draws back the white traverse curtain to reveal a breathtaking ballet of flags, lights and smoke. He watches and he goads. He even appears to be enjoying the performance before quickly resuming a bitchily jocose manner with a swirl of his mephistophelian black cloak.

At Harfleur the traverse is suddenly one of shining steel and three long ladders reach to the sky once Mr Branagh will fall in ecstasy after his big rousing speech. Mr McDiarmid not so much imagines as dreams this scene, pounding on the walls and willing them to rise on English soldiers, ablaze in spotlights, slithering through the gaping scenic wound. This most original and creative playing of the Chorus is at one with a production of which it is a corporate element.

The air of demonstration does not exclude the full exploration —the fullest I have seen—of every scene in the play. This is Mr Noble's great virtue as a director. He combines strong scenic impulses with a generous attitude to every corner of a Shakespeare play before Agincourt. There is a rather tiresome, punning scene for the French bigwigs. Their cockiness is here allied by designer Bob Crowley to a scintillating vision of hubristic splendour, the generals glistening in an almost oriental blare of horizontal golden spears and spangled military lapels.

This is not undue extravagance — although I am sure the Priestley Report has not harmed the RSC's healthily spendthrift instincts — but an intellectually exciting visual statement. At that point in the play the English are on their beam ends. Morale is low, the rank and file exhausted. Mr Branagh is moving among his men even earlier than we expect. He repels another visitation by the French herald in a shower of real rain pelting down on a raggle taggle line of men huddled under tarpaulin hoods.

This Henry hits rock bottom when told of his men's pillaging. Bardolph is mentioned, but Mr Noble brings him on, nose obliterated, for a tearfully disappointed talking-to. The wonderfully thuggish Exeter of Brian Blessed has Bardolph (John Rogan) on his knees, his blooded head almost popping as he is slowly strangulated. Contrast and compare with Antony Sher's death as the Fool in *King Lear*.

Alastair Muir

Kenneth Branagh (left) and Stephen Simms

The music of Howard Blake (who wrote the score for *The Snowman*), the work of Bob Crowley, the superb lighting of Robert Bryan, the touching vivacity of a naturally French Katherine (Cecile Paoli), all contribute to what is probably the best version of the play—on its own terms—that I have seen. The group work, the composed pictures on the stage, the general air of confident investigation allied to expressive, exciting theatrical gesture, make this a most auspicious opening for the RSC in 1984 Stratford-upon-Avon.

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Monday April 2 1984

First step to CAP reform

THE FARM PACKAGE hammered out by the agricultural ministers of the European Community over the week-end is to be roundly welcomed, on two counts in particular. First, the measures agreed represent a major first step, in principle, towards a long-overdue reform of the ruinously expensive Common Agricultural Policy (CAP). Second, the painful arguments over the farm policy have been a serious obstacle to a settlement of other contentious issues on the table in Brussels. Now that this obstacle has been cleared, the member states have no excuse for not settling the biggest outstanding problem — the mechanism for reducing Britain's excess contributions to the Community budget.

The farm package is, of course, far from perfect. As so often in the past, the farm ministers have reached agreement by making concessions to each other, at the expense of consumers and taxpayers. In *the case of the dairy sector,* the most expensive chapter in the farm policy, they reached agreement by setting a ceiling for milk production significantly higher than that proposed by the European Commission and by making special concessions to the Irish milk producers, who play such a large part in the Irish economy.

Surpluses

As a result, Community dairy farmers will continue to be able to produce substantially more than Europe can consume, so that the disposal of the unsaleable surpluses will continue to impose a major burden on the Community budget. Indeed, the aggregate effect of this and other components in the farm package will substantially add to the immediate costs of the CAP, taking them well above anything that is provided for in this year's budget. How this shortfall is to be financed, and by whom, may yet turn out to be a serious bone of contention between the member states.

One element in these extra costs will be the mechanism for phasing out the border taxes which have hitherto compensated for fluctuations between national currencies. But more worrying than the immediate cost factor is the implication that farm prices in future will tend to be more aligned on hard currencies like the Deutschemark than on a balanced basket of currencies; this can only have an inflationary impact in weak-currency countries, like France.

Yet despite these qualifications, it is important to recognise that the farm ministers have taken serious and difficult decisions which set vital precedents for longer-term reforms of the CAP. Though production quotas have long been used for sugar-beet, this is the first time that the principle of curbs on surplus production across the board has been adopted.

This is only a first step. If the reform of the CAP is to bear real fruit, with quantities being gradually aligned more closely to what the Community can consume and prices more closely adapted to what the world market can bear, farm ministers will have to go on making hard decisions every year for a long time to come. That is only likely to occur if they remain under continuous pressure from constraints at the budgetary end.

Doctrine

The provisional agreement between the member states that farm spending must in future grow more slowly than the rest of the Community budget — without specifying how much more slowly — does not seem tough enough: but the principle that finance must determine expenditure, rather than the other way about, is a major change in Community doctrine, a belated recognition of a reality long accepted by member states in their national budgets.

The third major change of doctrine, on top of the control of farm surpluses and the control of budgetary expenditure, is the provisional agreement that there must be a durable system for limiting Britain's excess payments to the budget, in place of those annual haggles which have proved such a damaging obsession in recent years.

At the moment, Britain and the Nine are deadlocked over how generous this limit should be. Mrs Thatcher is right to believe that the difference between her demand and their offer is very small, if divided between the Nine; the Nine are right to argue that their acceptance of a durable system should be worth something in money terms. Neither position is absolutely or self-evidently correct: compromise is required on all sides, if necessary by fudging the method of calculation, so as to conceal who made the bigger concession. It would be intolerable if a major turning-point in the development of the European Community were to be aborted by obstinate self-righteousness. Now is the time for the EEC member states to settle.

Guidelines for removing bias

IT IS RIGHT that discrimination against ethnic minorities should be tackled vigorously, and that employers should be in the vanguard.

One of the effects of high unemployment is to throw into sharp relief the particular disadvantages suffered by ethnic minorities, especially blacks, in the jobs market. Not all of this need necessarily be ascribed to the effects of discrimination: cultural, linguistic, religious and geographical barriers will play their part. But there is now too much evidence in existence for us to ignore pointing to the continued and tenacious existence of discrimination and racially biased attitudes.

The problem has an obvious moral dimension for those who believe in equality of opportunity: but the case is broader than that. A society which invited large numbers of immigrants to take up low-paid jobs in the 1950s and 1960s has a continuing duty to encourage their integration and that of their descendants within that society; a liberal democracy has a predisposition towards such integration in any case; and the self-interest of those who live and work in the big centres of immigration dictates that the sources of racial unrest — so obvious in South London, Bristol and Liverpool in 1981—be found and blocked off.

Good practice

Therefore the Code of Practice published today by the Commission for Racial Equality, aimed at "the elimination of racial discrimination and the promotion of equality of opportunity in employment," is to be welcomed both in principle and in practice. Based on the 1976 Race Relations Act, it cannot itself impose legal obligations but may be taken into account if proceedings are instituted under the Act: essentially, it lays down good practice for employers, unions and workers to follow.

Its main premises are that some effort and expenditure is required if liberal sentiment is to be translated into liberal action: that companies should take care to ensure that they both hire and promote members of ethnic minorities and if need be take "positive action" (such as language teaching) to ensure that minorities are not disadvantaged because of their origin vis-à-vis the majority white group, and that routine "ethnic monitoring" is instituted to ensure that these policies get results. In this way the Commission's executives believe, the effects of past discriminatory practices can be eradicated and better ones promoted in the future.

Contracts

Both the Act and the Code stop well short of the kind of quota system in force in the U.S., where employers are obliged to hire the proportion in each ethnic minority which corresponds to that existing in his recruitment area. Neither carries the sanctions of U.S. legislation, which includes the ability to discriminate in the award of Government contracts against those companies which do not operate as equal opportunity employers. As Mr Aaron Hayes, the Commission's employment director, observed last week, legislation and codes can only work if broadly accepted: the battery of expenditure and legislation which President Johnson brought to bear on the racial problem during his Great Society programmes simply could not be replicated in Britain in the 1980s.

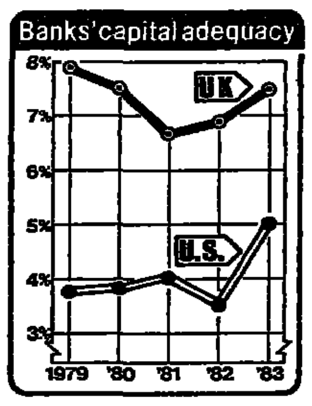
But employers must be prepared to take on discriminatory practices where they exist, and should set up systems to do so. This will mean some pain as well as expense: the expression of racism and the effect of discrimination are often embedded in managers' and workers' practices and attitudes, the challenging of which may threaten disruption of various kinds. However, the agreement of employers and unions at official level denies such reaction an institutional base: and firm, clear and consistently pursued policies are likely to win the consent of most, and do much to assist the creation of an employment scene more demonstrably fair to this country's most recent citizens.

Walter Wriston (left) chairman of Citicorp, the Bank of England's Peter Cooke (centre) and the Fed's Paul Volcker

International debt

Why the banks have built up their reserves

David Lascelles reports that, amid growing fears of a crisis, most of the world's banks have decided to take steps to increase their capital



U.S. figures show the ratio of capital to total assets. 1983 is FT estimate. UK figures show ratio of capital base to total public liabilities. 1983 is de Zoete and Bevan estimate.

Glyn Genin

The Citicorp Centre, Manhattan

AS THE latest rumblings in Argentina show, the world debt crisis is far from over. But if the much-predicted storm does still break, the big international banks will be better equipped to deal with it than they were in the summer of 1982 when the trouble started.

Of course, the repudiation by a major Latin American creditor of its multibillion dollar debts would deal a crippling blow because of the sheer size of the sums involved. But the glossy 1983 bank annual reports now dropping through shareholders' letter boxes show that bankers have strained—not without some bullying by their supervisors—to get their finances into better shape: for the first time in recent memory, balance sheets are getting stronger rather than weaker.

Profits are rising, and the banks' reserves against loss are the most thickly padded they have been for 10 years.

A note of optimism was sounded in the Bank of England's latest Quarterly Bulletin which said: "New money will continue to be needed by a number of countries; but as long as this is proportionately less than the increase in banks' capital, the vulnerability of banks to problems in these countries will gradually fall."

As a U.S. banker put it: "We're starting to grow round the problem."

There are exceptions to the brighter picture, of course. But ironically, they have names like Crocker, Penn Square and Schroeder Muenchmeyer Hengst rather than Brazil and Mexico. Even the Thatcher government's Budget blows which will force UK banks to find over £1bn in taxes they never expected to pay, shows that bankers' biggest problems can still spring up uncomfortably close to home.

By adding the sting of urgency, the crisis has also stirred the debate over how best to supervise large banks. The key question now is whether supervisors in the major industrialised countries can harmonise banking standards so that there are no weak links in the chain.

Biggest strides have been made by the U.S. banks whose $120bn loans to the Third World make them most vulnerable to crises among Less Developed Countries (LDCs). The big 17 international banks all met—by the deadline of last December 31 — the new Federal Reserve Board requirement that they build up their capital to at least 5 per cent of their total balance sheets, a way of forcing them to reduce their gearing. (Many had slipped closer to 4 per cent.)

Citicorp, which has the largest LDC exposure and has always geared its capital up most aggressively, just squeaked through with 5.1 per cent. Its capital now stands at $10bn, up 19 per cent on 1982, making it, according to Mr Walter Wriston, chairman, "the largest capital of any privately-owned financial institution in the world" — though even that gargantuan sum is less than Citicorp's loans to Latin America.

In good times, banks would have increased their capital by selling equity. But bank shares have been weak on Wall Street — partly because of the debt crisis — so U.S. bankers had to use other means like selling $2.5bn of preferred stock (which counts as capital under the Fed's new rules), and using a bigger share of their earnings to bolster reserves.

At the same time, though, U.S. banks managed to raise their dividend pay-outs by up to 10 per cent, well above the rate of inflation. That may seem something of a conjuring trick, but the U.S. economic recovery made banking a highly lucrative business last year. In fact, the profitability of the banks' traditional business has been their saving grace throughout the LDC crisis.

Balance sheets also look sturdier in the UK and Germany where gearing is now roughly in line with that in the U.S.—about $20 worth of loans for every dollar of capital. The British banks do have a huge new problem because of the Chancellor's decision to abolish capital allowances which will force them to dip into reserves to pay unfunded tax liabilities. Quite what the impact will be is still not clear. Mr Robin Leigh-Pemberton, the Governor of the Bank of England, told a House of Commons select committee recently that while it would be severe, it should not put undue strain on the banks. But it has raised a question mark over the UK banks' Triple A credit rating—which the LDC crisis never did.

The major exception is Japan, where banks have always been extremely highly geared by U.S. and European standards; as much as 40 to one. This is not as alarming as it sounds because accounting practices are different, and the Ministry of Finance in Tokyo keeps banks on a tight rein. But Mr Paul Volcker, the Fed chairman, is believed to be pressing the Japanese Government to bring the banks there more in line, especially since they are now expanding aggressively overseas.

Stronger capital ratios were possible to achieve for a number of reasons. Bank supervisors usually set strict limits on how far a bank can gear up its capital, and they can enforce them, as the sharp improvement in the U.S. shows. But the banks' attitudes have also changed.

Compared with the rip-roaring days of the 1970s, when bankers piled on loans in a scramble for growth, the chastening experience of the last couple of years has left them more concerned with building up profits. Last year, assets in the world's major banks grew by about only 5 per cent, half the earlier rate, while profits continued to go up by 10 per cent or more. The collapse of international lending had a lot to do with this—there simply was not that much loan business anyway outside domestic markets. But times must have changed when Citicorp announces that it has a new policy "to grow assets selectively."

The third reason is that banks are allowed to count their reserves against loan losses as capital, and these have risen quite sharply, by about 20 per cent. (The reasoning is that reserves, like capital, are the ultimate cushion against loss.) In some cases bankers had no choice: the U.S., Japan and Switzerland now oblige banks to write down their debts to specified problem countries, so they have to be more cautious. But in other countries, like the UK, where this is left to the bankers and their auditors, provisions have also been running at record levels. British banks' provisions in 1983 ate so deeply into profits that they were accused of trying to spike the argument for another bank tax in the budget—a futile hope as it turned out, even if true.

Whether banks now have enough capital is another matter. Bank supervisors will never say they are satisfied for fear of sounding complacent, and the Fed has indicated it wants U.S. banks to push their ratios even higher. It would still take the repudiation of only half Latin America's debt to wipe out most of the big U.S. banks, so it is easy to see why. But the banks are resisting pressures for a further cut in their leverage, claiming that the LDC problem is well under control.

Similarly, it is debatable whether banks, particularly in the U.S., have set aside enough of their profits against bad debts, even though their reserves now stand at their highest levels since the real estate lending crises of the mid-1970s. What was striking about 1983 was that banks increased both specific provisions for known bad debts, and general provisions as an overall precaution. Mr Robin Monro-Davies, who runs IBCA, the London-based bank rating agency, says: "The banks are now starting to make provisions, but these are still *clearly geared* to what they can afford rather than the eventual amounts they may need." Mr Monro-Davies thinks it will be several years before banks have adequate bad debt reserves.

All that can be said is that banks have more, not that they have enough. Although the banks' precise provisions are cloaked by customer confidentiality, they now assume that they will lose money on their LDC loans even though they argued for some time that countries never go broke. Some smaller banks, including London merchant banks, have written down their LDC loans to zero.

Bank supervisors, meeting under the auspices of the Basle Committee chaired by Mr Peter Cooke from the Bank of England, have been mulling over the question of capital adequacy for several years, but have yet to agree on a full definition of capital, let alone what amounts to enough of it. But they are inclining forwards, and the committee hopes to produce a report on this technical but highly contentious subject before too long.

One official predicts that convergence of standards is "an inexorable process of contact between bank supervisors," but that this must bring the poorest standards up to the highest, rather than the other way round. As part of this process, West Germany is in the throes of tightening up its bank laws in the wake of the SMH affair.

Although the results could cramp their style, bankers generally welcome convergence because it makes everyone equal in the intensely competitive international marketplace. The freedom of the Japanese and French (government-owned) banks to gear up highly is a constant sore point among the rest.

In the meantime, though, bank supervisors have had to tread a difficult path in dealing with the consequences of the LDC crisis, preserving banking discipline but also encouraging banks not to cut and run. While demanding higher capital ratios, the Fed has stretched the rules to permit U.S. banks to lend more money to LDCs in support of IMF rescue programmes. The tax authorities in several countries, including the UK and Japan, have also taken a more lenient line on allowing bad debt provisions as a pre-tax cost of doing business, rather than, as is sometimes the case, as a charge against after-tax profits.

But while the banks' stronger underpinnings add much-needed stability to world financial markets, they are unlikely to resolve the LDC problem any quicker, or make banks any less reluctant to advance new loans. Boosting capital ratios is an expensive business and bankers now badly need secure sources of healthy profits.

Specially attractive is "off balance sheet" business where profits can be earned from fees rather than by making loans, hence, in part, the eagerness of UK, U.S. and Japanese banks to get into the securities business. The spate of debt reschedulings for countries like Brazil and Mexico has also locked an uncomfortably large part of their balance sheets up in unsought long-term loans, though the booming floating rate note market has given them a new source of liquidity.

Men and Matters

Star's share of success

Wembley conference centre has been hired for what promises to be one of the larger shareholders' meetings of the year on June 10.

The Communist newspaper, Morning Star, is to hold its agm there—forking out £2,700 to get the elbow room it expects to need after increasing its shareholders by some 1,200 in the last three months.

The paper now has some 32,000 shareholders — about double the number of copies it sells daily in the UK.

Its new shareholders have bought into the paper during a campaign that has been running since January to raise an extra £100,000 capital to help pay for new printing machinery. By the end of last week the drive had yielded over £66,000 for the People's Press Printing Society.

Applications for the £1 shares are still coming into the Star's Farringdon Road Offices at the rate of some 350 a week. And the Wembley meeting—with others planned for Glasgow, Manchester and Bristol—will be used to extend the appeal beyond the paper's regular readers.

But the response of readers, themselves, has been quite a boost to the confidence of the paper's staff in their strained relations with the party hierarchy.

More pro-Soviet and more militant than the party leadership which has adopted the cautious pragmatism of "Euro-Communism," the paper's staff see the success so far of the shares' sale as a vote of support for their line.

Arthur's court

It looks like being a busier week in the High Court for Arthur Scargill.

The miners' leader is presenting in person the union's case in the dispute over the investment strategy of the mineworkers' £3bn pension funds.

"Took a lot of money at the Grand National — mostly from Liverpool Labour councillors who kept backing losers"

Last week he had little opportunity to demonstrate forensic flair, having only to stand up and read aloud his evidence. But greater demands will be made on him in the next few days.

First he will have a chance to try his hand at cross-examination of some of the National Coal Board's witnesses. Among those he will be grilling will be the pension fund's investments director, Hugh Jenkins, who has already felt the rough edge of Scargill's tongue.

After that, Scargill will have to present legal arguments to back his claim that he and his fellow union-appointed trustees are not in breach of their fiduciary duty. I understand he will be quoting U.S. and Canadian court decisions in support of his case.

For a time last week it looked as if Scargill might have pulled a cunning tactical stroke. He required Sam Stamler QC to read so much of the vast pile of documents in the case that, after four days on his feet, Stamler was in grave danger of losing his voice and the NCB of having a muted presentation of its arguments.

With the aid of lozenges and copious draughts of water, Stamler stoutly stayed the course — showing, incidentally, no sign of an identity crisis as a result of being variously described in the Press as "Pickwickian" and "a junior Rumpole."

Into account

The unusual agreement on Argentinian debt interest at the weekend allowed the U.S. banks just enough time to process the due payments before the closure of their first-quarter accounts at the end of March. It was touch and go, with the banks abandoning their normal conservative procedures in the scramble to get the paper-work done.

A system of special telephone codes was the key to managing the complex transactions of collecting the funds from Argentina into an account at the Federal Reserve Bank in New York, transferring them to a Citibank account and then transmitting interest payments to 140 other American banks.

Traditional cables would have been too slow. The code idea, involving the use of open lines but with quite elaborate security, worked—just.

Most of the big New York banks stayed open until 3 am on Saturday, only closing their accounts at 2 am instead of the usual 6.30 pm on Friday.

Wall Street, normally dead at the weekend, looked quite lively in the early hours as employees jostled for cabs.

Beyond belief

In Europe, yogurt is yogurt, and it is not difficult to believe that it is yogurt because it tastes like it. In the U.S., things are not so simple.

There, a company called This Can't Be Yogurt, which patently is a yogurt company because it sells frozen dollops of the stuff, announced that it was floating off 505,000 of its shares.

It was promptly sued by another company entitled I Can't Believe It's Yogurt, which is equally involved in the trade, owning a number of frozen yogurt stores.

The upshot of this little saga is that what was briefly a public offering is no longer a public offering. This Can't Be Yogurt has withdrawn its issue until the legal questions are sorted out.

These hinge, not surprisingly, on the names of the two companies. I Can't Believe It's Yogurt apparently believes that This Can't Be Yogurt has a trade mark which infringes its own—and it is asking for at least $750,000 in compensatory and punitive damages. All true, believe me.

Nose for trouble

Workers at Volvo's futuristic Kalmar car plant in the social democratic paradise of Sweden are celebrating their first decade of production. Their trade union newspaper begins its coverage with a cautionary tale:

On the way home from his first May Day celebrations, six year-old Johann is full of questions. "Daddy, what does 'comrades' mean?" — "Well, that's what you and I are."

"But what's the 'people' then?" — "Hm . . . mummy is the people." "And what did uncle mean when he was talking about the 'future'?"—"The future, that's your little sister," father replied, thinking he had managed his teaching duties rather well.

In the middle of the night Johann dashed into his parents' bedroom. "Comrade, comrade, wake the people," he cried; "the future stinks."

Observer

FOREIGN AFFAIRS

Of summits, and their uses

By Ian Davidson

THE SPRING comes round again, and with it a quickening of bureaucratic activity in the capitals of the seven major industrialised countries, in preparation for the 10th Western Economic Summit which takes place in London in 10 weeks' time. But have these annual jamborees really been very useful· and is there much prospect that the next one has much chance of adding to the harmony of nations?

These questions are addressed by two books out today. The first, by a British diplomat and an American political scientist, is an analytical history of the first nine economic summits, under the title *Hanging Together;* its general verdict is that they have occasionally been useful, assuming expectations are not set too high. The second, a report to the Trilateral Commission, is a ringing call for the London summit to launch a wide-ranging and multi-annual programme of economic co-ordination, so as to promote and sustain faster economic growth world wide.

The record does not suggest, nor does the international conjuncture of events offer much hope, that the "sherpas"—the top civil servants who plan the path to the summit—will produce any programme as ambitious as that of the Trilateral Commission. On balance, the summits have stiffened resistance to protectionism and given some impetus to liberalisation of trade. On balance, they have proved a useful method of bringing together some of the world's leading statesmen in confidential encounters; in particular, they have done something to bring the Japanese closer to participation in global decision-making.

But the media attention they have stracted has been out of all proportion to their real contribution to the management of the world economy. The common interest has usually come in a clear second behind competing national interests.

This time round, the sherpas face two major problems which are liable to frustrate their best intentions. The first is that this is election year in the U.S.: if the American economy continues galloping away, President Ronald Reagan will be as reluctant as he has been for three successive summits, to make any substantive concession to European and Japanese complaints at the internationally disruptive impact of the U.S. budget deficit, high interest rates and the overvalued dollar. The reduction of this deficit is the centre-piece of the Trilateral proposals . . .

The second problem is that crisis in the Community. If it is resolved in short order, and the Ten launch an internal programme to revitalise their economy, they could face the London summit with more self-confidence than they have known for two decades. But if not, then their need for changes in U.S. economic policy will be the more pressing, but without becoming any more attainable.

Hanging Together identifies two major factors behind the start of the summit system. First, a number of leaders, notably Valery Giscard d'Estaing and Helmut Schmidt, wanted to short-cut the entangling bureaucracy of international economic diplomacy, by direct contacts with their equivalents in Washington and Tokyo. Second, the growth of trade and economic inter-dependence, and the erosion of U.S. hegemony, made it desirable to find a new way of reconciling the conflicting pressures of domestic and international politics.

The first summit in 1975, was a success; arguably according to *Hanging Together*, the most successful of the entire series. It was less ambitious than some later meetings, like those in Bonn and Tokyo, but it was also less controversial, and the political leaders were able to secure the informality that Giscard had been aiming at.

The meeting was a success because everybody had started to feel more comfortable about the economic outlook. The post-oil-shock recession had bottomed out in mid-year, and by the time the leaders gathered at Rambouillet in November, it was clear the recovery was under way. It was an occasion for mutual reassurance, not for arguing the toss about each other's policies.

By the time of the London summit in 1977, the economic recovery was tailing off into what was euphemistically

President Reagan (right) with Japanese Prime Minister Yasuhiro Nakasone at the Williamsburg summit.

labelled a "pause," and the meeting highlighted the long-drawn-out argument between the high-inflation, deficit countries like Britain, and the low-inflation, surplus countries like Germany. By this time, the election of President Jimmy Carter brought a second advocate of the thesis that Germany (and Japan) should make use of their strong position to act as locomotives for sustaining economic growth and holding down unemployment. In the event, the Germans and the Japanese avoided committing themselves to any additional reflation; but the argument remained very much alive, and was only resolved (with questionable results) at the following economic summit in Bonn, in 1978.

The Bonn meeting was the most striking example of an economic policy negotiation cutting across diverse issues. No matter that several governments agreed to policy changes which they had been contemplating in any case; it was, in the words of *Hanging Together* "the clearest case, by far, of a summit deal that left all participants happier than when they arrived. The Germans and Japanese would promise (and deliver) significant additional reflation. The Americans would promise (and deliver) anti-inflationary policies and lower oil imports. The others would concede (and later ratify) a significant liberalisation of world commerce . . . It was apparently a textbook case of international policy co-ordination."

The sequel was less glorious. The summiteers in July 1978 were not to know that, six months later, the Shah was to fall and be replaced by the Ayatollah Khomeini, with deeply disturbing consequences for the oil market. But it is at least arguable that the western governments were disgracefully slow to tailor their energy policies to the lessons of the first oil shock, and that the reflationary policies agreed in Bonn helped exacerbate the oil demand-supply tensions at the time of the second oil shock.

When the summiteers met again, in Tokyo in 1979, this second oil shock was in full surge. The western leaders immediately responded, by agreeing that they would not accommodate the inflationary impact of higher oil prices, and by setting (ostensibly restrictive) ceilings for future oil imports.

In reality, each government bargained hard to pursue contradictory policies on inflation and oil imports. They all wanted to maintain maximum leeway for oil to allow headroom for future economic growth; but the anti-inflationary policies to which they committed themselves ensured that oil imports would in practice fall substantially below the (relatively generous) targets. Nevertheless, in terms of western policy in the face of the new crisis, the Tokyo summit undoubtedly had a unifying effect.

The Versailles summit, in 1982, was the first real catastrophe of the series. There was little discussion of macro-economic issues — Mitterrand knew that he would soon have to abandon his attempt at socialist growth—but the stage was set for a Mitterrand-Reagan clash on the politics of East-West trade, and on the case for a stabilisation of the international monetary system.

The East-West clash turned into an explosion almost immediately after the meeting broke up. Mitterrand accused the U.S. of trying to wage economic warfare against the Soviet Union; Reagan escalated the controversy by extending U.S. sanctions against suppliers of gas pipeline equipment to the Soviet Union. When the U.S. eventually backed down over the pipeline, matters were only partially mended at the Williamsburg summit the following year, which strongly endorsed Nato policy on Euromissiles.

Hanging Together pin-points the reason for misgivings over the prospects of the London summit. "Presidents Ford and Carter were reconciled to the idea that the Europeans and Japan might advance, over time, towards equal status with the United States. But President Reagan is not so reconciled and seeks to restore the U.S. leadership role." The figures for international trade, payments and investment flows may proclaim the fact of economic interdependence. But since Ronald Reagan does not perceive, or wish to perceive, this fact, his administration simply denies that its fiscal and interest rate policies have any adverse effect on anyone else. If the fact of interdependence is denied, there is not much scope for discusssion, let alone modification, of national economic policies.

The U.S. budget deficit could prove an ephemeral problem, especially if President Reagan failed to be re-elected. But the major *structural* problem in the industrialised world, and the one to which the Trilateral report devotes a substantial chunk of its advice, is the relative decline of the European economy. Interdependence became a fashionable notion when Europe seemed to be catching up with the U.S. in the 1960s, and it remains a fact. But now the Europeans are finding that some people are more interdependent than others, because they have failed to get their act together, and risk being left behind in the new technological revolution.

The irony is that, in 1975, Giscard promoted the idea of a western summit because it seemed to offer a way out of the Community dilemma: the development of a *real* Common Market would require the abandonment of Gaullist fetishes and expose France to the full force of German competition, whereas summitry would reflect glory on France as one of the big Five (as they were at first).

Today it has become clear that these dreams were just dreams; the interdependence which cannot be denied is that between the members of the European Community; there is no way of eluding the Community dilemma. That is why the negotiation which is staggering on in the European Community is more important, and could be much more productive, than anything which is likely to come up in the London summit. And future economic summits will not achieve much either, unless the Europeans can make themselves less vulnerable to the pressures of an unequal interdependence.

Hanging Together: the Seven-Power Summits by Nicholas Bayne and Robert D. Putnam; Heinemann: Democracy Must Work by David Owen, Saburo Okita and Zbigniew Brzezinski; the Trilateral Commission.

Lombard

State industry's target role

By Samuel Brittan

THE MORE one thinks about it, the harder seems to be the UK Government's objective of holding public spending almost constant for the next 10 years.

If we look at the three years up to 1986-87, for which detailed plans—although not binding commitments—have been agreed by the Cabinet, a remarkable pattern emerges. The three largest programmes—social security, military spending, and health—together account for two-thirds of the expenditure planning total. Cash spending on all three is panned to rise by more than the expected inflation rate. Another large programme, "Law and Order," will rise by about the same as the inflation rate.

Thus all the remaining programmes have to fall quite heavily in real terms if the real public spending total is to remain stable. Part of the burden falls on education, where real spending is to fall by about 10 per cent in three years, explained partly by falling numbers of school age. But that in itself will not be enough to achieve the Government's objectives; and an even bigger role is to be played by the sector "Trade, industry, etc," where there is to be a real fall of over 50 per cent.

This huge cut reflects not a slashing of industrial aid to the private sector, but a vast hoped-for cash turnround in the "external financing" of the nationalised industries—the only part of their capital expenditure which nowadays counts as public spending. The nature of this turnround is obscured by the presentation of the Public Expenditure White Paper, which is still an "all trees, no wood" document, an dhas yet to receive attention from the Lawson-Middleton-Burns team.

But a little detective work reveals that, for those industries which are to remain in the public sector, a turnround in external financing from over £2.8bn in 1983-85 to almost zero in 1986-87 is expected.

The turnround has thus nothing to do with British Telecom, as I wrongly suggested in an earlier article. It reflects entirely a large expected improvement in profits in industries not affected by privatisation. The hoped-for improvement is large enough, as the table shows, to raise their overall self-financing ratio from 45 to 98 per cent.

There is no need to overdo the cynicism about the prospects. The first version of the Medium Term Financial Strategy in 1980 also envisaged a steep fall in nationalised industries' external financing—which did not stand a chance of being achieved because of the effect of the recession on industries such as steel and coal. This time all the corporations foresee a gain in efficiency and they also hope to benefit from a higher rate of capacity utilisation as economic recovery continues. The big question is whether these gains will be enough or whether they will also need price increases, above the inflation rate, if they are to fulfil the Government's objectives.

But my main worry is different. The envisaged shift to self-financing is basically once-for-all. The nationalised sector cannot repeat the same contribution to curbing public expenditure in later years. (Nor incidentally can the number of pupils go on dropping.) As the peripheral areas of public spending decline in importance, it will become impossible to postpone the question of whether to "do something" about military or social service spending or reconcile ourselves to something like the existing tax burden.

NATIONALISED INDUSTRY FINANCING*

£m, cash basis	1983-84	1984-85	1985-86	1986-87
Total capital spending	5,218	5,330	4,869	4,867
To be financed from:				
—internal resources	2,341	3,039	3,724	4,775
—external funds	2,877	2,291	1,145	92
Self-financing ratio	45%	55%	76%	98%

*excluding Brit. Telecom, Brit. Airways and Enterprise Oil

Letters to the Editor

Smarten up the nation

From Mr D. Howell MP

Sir,—It is good to have Samuel Brittan's view (March 29) that "we are left with some macroeconomic case for some public works investment in some circumstances." It is also interesting to read his opinion that there was an opportunity for moves on this front at the bottom of the recession in 1980-82. This was a view which I held, and argued unsuccessfully, at the time.

The question now is whether we have another such occasion for a boost to infrastructure spending because, of course, it would be a great pity to hear in three years' time that 1984 would have been a good moment but that we had unfortunately missed the chance yet again. Since I believe, as I think Mr Brittan does, that low inflation and lower interest rates are the best expansionary forces, the simple question is whether a more determined and enlarged programme of infrastructure spending, planned at this stage and unfolding over the next three years, would damage these objectives.

My firm view is that such a programme would inflict no damage whatsoever on economic and financial strategy if initiated modestly, say with an additional £500m a year over the next three years. On the contrary, if the vigour goes out of the American expansion next year, which is quite possible, I think we will be very sorry indeed that we had not prepared steps of this kind beforehand. If, on the other hand, the American recovery continues strongly, then this kind of additional activity in those parts of the construction industry which are specifically geared up to do public works will make no difference to overall pressures but should help smarten up the nation and keep more in work than would otherwise be the case. Over the range about which we are talking, the "competition" with other kinds of public and private spending to which Mr Brittan refers just does not exist.

David Howell,
House of Commons, SW1

Private sector borrowing

From Sir Alan Neale.

Sir,—What tangles people make of monetary affairs! Can Mr Osborn of Grieveson, Grant and Co, really believe he is the first to notice (March 26) that bank lending to the private sector is a key element in the growth of money supply? Whatever became of all those articles on domestic credit expansion?

Of course monetary control involves seeking to influence through interest rates the amount that the private sector borrows from the banks. But the term "borrowing requirement" is used of the public sector to indicate the calculated results of a budgetary process. It is not sensible to use the same term for the aggregate borrowing of the private sector which is not open to budgeting.

Then we have Mr Brittan telling Mr Osborn not to worry so long as "monetary aggregates are watched stringently in conjunction with velocity." But changes in velocity are the means of explaining after the event why changes in monetary aggregates do not always relate to changes in total income in the way monetarists expect. Nobody can tell, as it occurs, whether a given change in money supply heralds a change in aggregate money income or just a change in velocity, just as nobody can tell at the time whether a particularly cold winter is a statistical oddity or the start of a new climatic trend. The comforting thought of Mr Brittan watching these matters stringently calls to mind Lady Bracknell's response when Jack Worthing admitted that he smoked. "I am glad to hear it. A man should always have an occupation of some kind."

(Sir) Alan Neale.
95 Swains Lane, N6.

Infrastructure lobbying

From the Director, British Road Federation

Sir,—As a member of what Samuel Brittan calls the "infrastructure lobby" I would like the opportunity to respond to his article of March 29. In addressing the supporters of a higher level of public investment in infrastructure Mr Brittan, quite rightly, says: "should not the case . . . be stated on its merits rather than as a magic means to higher employment?" In fact many people, including BRF, are doing just that. Their arguments do not rest, in the main, on the macroeconomic benefits which Mr Brittan questions.

What should not be forgotten, however, is the damaging effect which the Government's approach to macroeconomic policy has had on the level of public investment. The reduction of the PSBR as a percentage of GDP has become a policy to be pursued for its own sake, with scant regard to the principle that the desirability of public sector borrowing depends on where the money is to be spent. If the Government took more note of Mr Brittan's observation that a PSBR target is only an intermediate objective, designed to be consistent with non-inflationary growth, there would be a much more coherent policy towards public investment.

The recent Green Paper on the 10-year outlook for public expenditure and taxation stated that "there is no self-evidently correct level of capital spending in aggregate, but each capital project should be justified by a searching investment appraisal." Yet it is hard to escape the conclusion that when the Treasury decides on the aggregate level of public investment it is much more concerned with the desire to reduce borrowing than with the range of new investment opportunities or the rate of depreciation of existing assets. The Treasury and Civil Service Committee took this view in its report on the 1984 public expenditure White Paper and declared that "it is a matter of concern that public investment expenditures have been doing little in recent years other than keeping up with depreciation."

Macroeconomics cannot be excluded from the infrastructure debate, because when the Government is presented with a sound case for more public investment by experts, it all-too-frequently argues that whatever the merits of the expenditure it will not tolerate any increase in borrowing to finance the work. Of course an offsetting cut in current expenditure would remove the need to borrow more, but is Mr Brittan aware of many politicians who, once in office, are prepared to carry out such a policy?

David Gent,
Cowdray House,
6, Portugal Street, WC2

Deep concern about LAPR

From the Secretary-General, Life Offices' Association.

Sir,—Mr B. Groom is quite incorrect and indeed mischievous to suggest (March 30) that the life assurance companies are quiet on the removal of life assurance premium relief because there has been a trade off against potential growth in the personal portable pensions market.

The life associations have written to the Chancellor of the Exchequer expressing their deep concern about his decision to withdraw LAPR from new policies issued after midnight on March 13 pointing out that removal of the relief will discourage an essential form of prudent saving for old age or provision for early death among millions of ordinary people. The current debate on personal portable pensions and the withdrawal of LAPR are two different and quite unrelated issues.

T. H. M. Oppé.
Aldermary House,
Queen Street, EC4.

Hymac-Daewoo deal

From the Executive Managing Director, Hitachi Construction Machinery

Sir,—The article which appeared on March 13 regarding the proposed Hymac Daewoo transaction suggested that Hitachi had in some way intervened in this deal.

We must state most emphatically that this is not the case at all. In fact there was no intervention by Hitachi during the negotiations and at no time was Daewoo "summoned" to Tokyo to explain its actions.

The final decision of Daewoo not to acquire Hymac has come from its own free and independent choice and judgment.

Ryuichi Seguchi,
Tokyo, Japan.

Stamp duty on life assurance

From Mr C. Coon

Sir,—I was disappointed to see that the Chancellor, while reducing stamp duty on share and property transactions, made no changes to the penal duty on true life assurance.

A particularly desirable form of life assurance from the policyholder's point of view is family income benefits. On the death of the life assured a regular income benefit is payable to his (or her) dependants for the remaining term of the contract.

The stamp duty a life office pays on a 25 year policy to a male aged 25 may be up to 1½ times an annual premium. This almost certainly exceeds the other costs of putting a policy on the books. Where the income benefits increase each year stamp duty as a percentage of an annual premium can be considerably more.

Only two days after the Budget the EEC solvency regulations came into force. These regulations require an additional amount of capital, equal to about nine premiums for the above policy, to be tied up. This amount would be in addition to to a fairly conservative reserve.

Therefore, suggestions that the Government is trying to encourage the life assurance industry back to protection and away from savings are nonsense.

C. L. Coon,
Liberty Life Assurance Co.,
Liberty House,
Station Road,
New Barnet, Herts.

FINANCIAL TIMES

Monday April 2 1984

Terry Byland on Wall Street

Utilities generate enthusiasm

THE PROBLEMS faced by some major U.S. electric utility companies with their nuclear power plant projects continue to attract attention, perhaps to the benefit of those investors who have not allowed themselves to be distracted from the underlying attractions of some of the stocks.

Of the 80 or so major electric utilities, a handful clearly face serious financial hazards from nuclear projects which have produced huge cost overruns, licensing problems or safety fears.

But at the other end of the scale, there are prominent electric utilities whose investment risk on nuclear projects is modest. Texas Utilities, for example, is suffering delays at Comanche Peak but about $1.2bn of the work in progress has already been incorporated in the rate base for its charges. Detroit Edison and Commonwealth Edison face increased costs because of delays in completing and licensing plants, but the costs are not regarded as financially dangerous for the companies.

The varying degree of risk in the sector must, moreover, be set against the returns on equity investment. Utility stocks are conventionally bought as income stocks. The fall in their prices since the beginning of the year, which has exceeded the fall on the Standard and Poor's 400 stock index, has strengthened their appeal.

The yield on electric utility common stocks is now about three times that of the S&P 400 industrials, which compares well with the

Stock	Price ($)	Yield
Carolina PW	21¾	11.7
Toledo Edison	17⅞	14.1
Detroit Edison	12⅞	13
So. Calif. Edison	35½	10.7
Texas Utilities	22¾	10.4

2½ multiple averaged over the previous 15 years. More surprisingly, the yield on utility common stock is about 90 per cent of that on the best-rated utility bonds, in sharp contrast to the industrial stock market which has been held back by the substantial yield gap in favour of the bond market.

The fall in utility stock prices, which has reflected both the nuclear plant problems and the general shakeout in the stock market, has masked significant bull factors for the stocks.

The powerful recovery by U.S. industry is pushing up electricity sales, according to the Edison Electric Institute (EEI). Last year saw a turnround from a 2.2 per cent decline in output to a 3.6 per cent gain. Output has jumped by 7.1 per cent in 1984, says the EEI.

At the same time, the utilities are benefiting from further rate increases, estimated at $5.45bn last year, and from the peak in the heavy construction programmes undertaken in the previous decade.

Statistics on construction expenditure by 70 electric utilities compiled by Bear Stearns, indicate that budgets topped out at $34.4m last year and will soon fall dramatically, perhaps by as much as one half by 1986.

This has significant implications for earnings and, more particularly, the dividend outlook for those companies not threatened by nuclear plant complications. So far this year, 18 major utilities have increased their dividends by an average of 6.7 per cent, and the rest of 1984 and 1985 is likely to bring many more such increases. Consequently, the already healthy level of return could be looking even better in 12 months' time.

Among the companies at low risk from nuclear projects, Southern California Edison is likely to increase its dividend significantly in September. It aims to take only 2 per cent of its power from nuclear sources and has only a 15.8 per cent interest in the Palo Verde nuclear facility which is running behind schedule. Toledo Edison, which has been punished heavily by Wall Street, is another likely candidate for a dividend increase later in the year.

Now that Wall Street seems to be establishing a new base level after the alarums and excursions of the past three months, the search for stocks which have been oversold has intensified. The electric utilities, or at least those not identified with nuclear plant problems, have suffered more than their share of selling in view of their earnings and dividends prospects.

Their immediate attraction for income-seeking investors is the yields of around 12 per cent and the likelihood that these yields will be boosted by dividend hikes over the next year, especially with the dividend outlook for some of the new Bell Telephone stocks no longer quite so secure.

Lilco accounts qualified, Page 20

Unions expected to halt coal movements in UK

BY DAVID GOODHART IN LONDON

ALL MOVEMENT of coal in the UK is expected to come to a halt over the next few days as the miners' strike moves into its fourth week.

The threat by transport unions to stop coal movements, in support of the miners, could lead to further legal steps. British Rail and haulage contractors may seek court injunctions to prevent the unions taking sympathetic industrial action, illegal under employment laws.

The National Coal Board (NCB) may itself return to the courts this week to seek injunctions against the expected heavy picketing of the Lancashire pits in north-west England, where a delegate meeting of the National Union of Mineworkers (NUM) voted at the weekend to return to work today.

A number of left-wing union leaders are clearly expecting a showdown with the Government and the courts which could usher in a state of emergency.

Mr Alex Kitson, deputy general secretary of Britains largest union, the Transport and General Workers, said on television that a state of emergency had "happened before." He refused to say whether the union would obey or defy court injunctions.

Mr Sam McCluskie, deputy general secretary of the National Union of Seamen, whose members have already blocked the movement of some coal, implied on the same television programme that members would defy injunctions.

Mr Arthur Scargill, president of the NUM, said that picketing would increase. "As far as I'm concerned, I think that you have not seen in this dispute real mass picketing," he said.

The split within the NUM, however, is likely to widen, at least in the short term. About half the union's executive are in favour of a national ballot over the strike action, taken in protest at pit closures. Where area ballots have been held, they have been mostly in favour of a return to work, and last week 36 out of Britain's 176 pits continued to produce coal.

An opinion poll published at the weekend suggested that 69 per cent of miners wanted a ballot and 60 per cent would vote to strike. But Mr Scargill yesterday ruled out any ballot before the next meeting of the executive on April 12. He said that the meeting would "continue to monitor the situation."

Mr Peter Heathfield, general secretary of the NUM, is the only one of the union's national officers to have suggested that a ballot might be called on April 12. He blamed area union leaders for the divisions within the NUM.

"We are split right down the middle, we are in a terrible mess," said Mr Sid Vincent, the Lancashire NUM general secretary yesterday. The 6,500 miners in the Lancashire area were called out on strike for a week in an attempt to end the split over whether to join the national stoppage, but two of the pits yesterday decided to defy their leaders' instructions to return to work today.

Mr Bernard Donaghy, the area president, said: "The one thing we are all agreed on is the need for a national ballot. It is the one thing that would resolve the union's differences."

The effect of the divisions will be minimised by sympathetic industrial action by the transport unions. About 200 members of Aslef, the train drivers' union, yesterday backed their executive's decision not to move coal trains. The National Union of Railwaymen is expected to endorse similar nationwide action today.

Paris fails to find European buyer for Dunlop France

BY PAUL BETTS IN PARIS

THE FRENCH Government appears to have failed in its efforts to find a "European" or "French" solution to the rescue of Dunlop's troubled French tyre and rubber subsidiary Dunlop France.

M Laurent Fabius, the French Industry Minister, acknowledged that so far no acceptable counter offer had been made by French or European concerns to the Dunlop France takeover proposals from Sumitomo Rubber, the Japanese tyre group which agreed to take over Dunlop's UK and West German tyre operations last autumn.

M Fabius said that in the absence of a suitable counter bid, the Government had little alternative except to approve the Japanese offer. Sumitomo has been involved in intricate negotiations with the French authorities in recent weeks.

Indeed, Sumitomo, which is keen to acquire the Dunlop trademark throughout Europe, is generally regarded to have made a reasonable offer for the French Dunlop activities. It agreed last week to guarantee the jobs of between 3,800 and 4,000 Dunlop France employees out of a total of 5,580 people.

The French Government had urged the French Michelin tyre group to make an offer for Dunlop France. But although Michelin has sought to scuttle the Japanese takeover plans, its proposals are understood to have been found unacceptable by the French Government.

M Fabius was to have made a final decision on the issue by the end of March. But the Government extended the deadline in what appears to be an effort to put pressure on Michelin and other French industrial interests to come up with a more attractive offer.

But Mr Fabius also indicated he was not prepared to wait much longer and that a decision would be taken early this month and probably as soon as this week.

French steel plan strains coalition

Continued from Page 1

outcome of the next rounds of negotiations on the financial issues dividing the Community, although as M Michel Rocard, the French Agriculture Minister, remarked after the farm agreement that "success is contagious."

The Government is also advancing FFr 3.7bn in additional aid to the country's troubled shipbuilding industry by cutting back the 1984 investment budgets of all the main Government departments with the exception of the Defence Ministry.

The new credit will bring total French Government support to the shipbuilding sector this year to FFr 5.3bn. Before the new credit, FFr 1.6bn had been budgeted for the shipbuilding industry in 1984.

The Government, anxious to hold down its overall budget deficit to 3 per cent of gross national product, decided to reduce the investment budgets of all the main ministries to finance the shipyards. These cuts will provide FFr 2.7bn in funds for the shipbuilding industry Another FFr 1bn will come from a 26 per cent cut in the total amount of export credit loans budgeted by the Government for 1984.

The government departments most badly hit by the shipbuilding support measures are the Transport Ministry, which will lose FFr 723.6m, or 8.1 per cent of its original 1984 investment budget; the Ministry of Education with FFr 629m less or 12.6 per cent lower than scheduled; and the Research Department with a 4.2 per cent cut in its investment budget, or FFr 418.3m. Only the Defence Ministry has escaped the cuts.

Vatican bank chief 'under investigation'

BY ALAN FRIEDMAN IN MILAN

ARCHBISHOP Paul Marcinkus, chairman of the Vatican's bank, is understood to have been notified by a Milan magistrate that, along with two other senior officials, he is under judicial investigation for possible illegalities in connection with a L50bn ($30m) loan. The loan was extended by the Vatican bank to an Italian financier who was formerly a major shareholder and director of Sig Roberto Calvi's collapsed Banco Ambrosiano.

The American-born Monsignor Marcinkus, who has served as the Pope's bodyguard and President of Vatican City, is chairman of the Istituto per le Opere Religiose (IOR), The Vatican bank which has agreed to make a ($250m) payment as part of the final settlement of the long-running Ambrosiano affair.

Banco Ambrosiano collapsed in 1982 a few weeks after Sig Calvi, its chairman, was found dead, hanging below a bridge over the River Thames in London. The IOR both directly and indirectly owned 10 of the overseas "dummy companies" to which Ambrosiano lent $1.3bn, but the Vatican has refused to acknowledge that its payment of $250m is an admission of responsibility.

Corriere della Sera reported yesterday that, along with Archbishop Marcinkus, senior IOR directors Sig Luigi Mennini (managing director) and Sig Pellegrino de Strobel (chief accountant) had in the past few days received judicial communications informing them that they are under investigation in connection with a 1972 loan made by the IOR to Sig Carlo Pesenti's Italmobiliare financial holding company. In Italy, these communications do not constitute a formal charge but indicate that investigations are at an advanced stage.

The loan, made in 1972 but only disclosed when it matured in 1979, was indexed to the Swiss franc. Why this was the case has never been explained. When it was repaid in 1979, the IOR received more than three times. the initial amount, around L160bn.

The huge repayment is understood to have been related to the sharp appreciation of the Swiss franc against the lira between 1972 and 1979.

Sig Pesenti, who is now aged 76, was a close collaborator of Sig Calvi's and held shares in Banco Ambrosiano. He was questioned about the loan in 1979 by a small shareholder of his Milan-based Italmobiliare group. After failing to receive a satisfactory explanation, the shareholder brought legal proceedings against Sig Pesenti and this resulted in the present magistrates' investigation. Sig Pesenti and other Italmobiliare executives have been under investigation since last year.

The charges which are being investigated concern alleged improprieties related to the Pesenti loan.

Sig Pesenti's Italmobiliare group was supported in the past by large borrowings from Banco Ambrosiano, secured by large blocks of shares in companies controlled by Pesenti. Italmobiliare, meanwhile, was at one time the largest single shareholder in Ambrosiano. The collapse of Ambrosiano in 1982 was followed six weeks later by the sale by Sig Pesenti of his biggest bank, the Istituto Bancario Italiano (IBI).

Munich elects SPD mayor

By Our Bonn Staff

WEST GERMANY'S opposition Social Democrats (SPD) yesterday scored a victory in regaining the post of Lord Mayor in their traditional stronghold of Munich.

In a run-off vote, Herr Georg Kronawitter, the SPD candidate, scored 58.3 per cent of the vote, driving the incumbent Lord Mayor, Herr Erich Kiesl, out of office and dealing his party, the conservative Bavarian Christian Social Union (CSU), a sharp blow.

The run-off vote was necessary after Bavarian local elections on March 18 failed to give an absolute majority for the post of mayor in the city and more than 100 other local councils.

Herr Kronawitter, who ruled the city from 1972 to 1978, appears to have picked up votes from the Greens and other small parties to improve his showing so dramatically from the 48.3 per cent on March 18.

Herr Kiesl, the first CSU Lord Mayor of Munich, actually slipped back from 44.3 per cent two weeks ago to 41.7 per cent in what seems bound to be taken as a personal affront to Herr Franz-Josef Strauss, the CSU chairman.

Chancellor Helmut Kohl will scarcely be overjoyed that his coalition partner in Bonn should suffer such a blow after the third Government party, the Free Democrats, took a pasting in the state elections in Baden-Württemberg last Sunday.

Thyssen chief wins support

By James Buchan in Duisburg

HERR Dieter Spethmann, the embattled chief executive of Thyssen of West Germany, survived a serious public challenge when the annual shareholders' meeting approved last year's accounts and thus endorsed his policies.

In a climax to weeks of intense debate over Herr Spethmann's future as the head of Europe's largest steelmaker, 96 per cent of the votes cast approved the board's performance in the year to last September, when Thyssen reported a loss of DM 550m ($211m) and paid no dividend for the first time since 1956.

Shareholders of 73 per cent of Thyssen's DM 1.2bn capital were present in the packed and often tense meeting on Friday. However, about 25 per cent of the votes represented were not cast in the simple yes/no procedure for approving the accounts – a step which is normally a formality at German shareholders' meetings.

It is likely that four banks abstained along with their proxies – including Deutsche Bank and Dresdner Bank, which are thought to own, or administer, about 15.8 per cent of the share capital.

Thyssen executives did not hide their relief at the result of the vote, though it compared with almost unanimous approval last year. But they had no illusions that the struggle over Herr Spethmann's future was over.

Shareholders complained bitterly about Herr Spethmann's decision in 1978 to acquire the Budd Company, the U.S. motor and railroad industry supplier, which has reported total losses of $311m before tax for its past three years.

Herr Spethmann also reported that in the first six months of the current financial year, each of Thyssen's four main divisions had booked a double-figure increase in sales.

THE LEX COLUMN

Philips tunes for a new frequency

At least one nagging criticism of Philips was laid to rest last week by the Dutch electricals giant's full results for 1983. Philips only set about reorganising its corporate structure long after the recession had exposed an urgent need for major changes. The group now appears to have made up much of the lost time and a bid to treble net profit margins has made a good start.

The Fl 1.8bn ($615.6m) spent in 1981–82 on consolidating Philips' manufacturing operations has helped translate last year's 6 per cent volume growth into a 49 per cent jump in current cost net profits, to Fl 647m. This has done wonders for the credibility of its newly avowed strategy to give centralised product management more influence over all the group's far-flung subsidiaries and to tie Philips' research skills closer to its end markets.

But the group's more persistent critics have long levelled a second major criticism of Philips. The latest results have done nothing to undermine their case, that Philips has misjudged the development of the international consumer electronics market since the mid-1970s by clinging so tenaciously in this area to a traditionally extensive range of goods.

Champion role

Philips has, in fact, grown increasingly determined to champion the European industry against competitors from the Far East; but it has also stressed rather more commercial grounds for its position. Now its home electronics division has made a trading loss of Fl 195m on sales of nearly Fl 12bn and the whole future investment image of the group is heavily coloured by the outlook for this business.

The uncertainty which surrounds it appears the most likely reason for the relative underperformance of Philips' shares for the last several months. They doubled from Fl 27 to Fl 55 inside the first four months of 1983, during which time the aggregate stake held by U.S. investors jumped from 3 to 16 per cent. But U.S. investors appear to have sustained their enthusiasm rather better since that time than the general market. While the U.S. stake stands today around 23 per cent, the shares have bounced up and down in a Fl 40 to Fl 50 range even after disclosure of the 1983 figures.

There are plenty of well-worn explanations for Philips' low rating in the stock market, which at present leaves the shares on a p/e multiple of perhaps 12 to 13 times the prospective earnings for 1984 – inferior indeed by international standards in its industry. There is, for instance, the complexity of its accounts, underlined in 1983 by the contrast between the current cost performance and the more subdued 6 per cent gain in historic cost net profits. It has suffered from a reputation for reacting too slowly to the kind of difficulties which, for example, have landed its Signetics subsidiary in the U.S. with losses of about $30m a year since the end of 1980. And its marketing approach has too often been contrasted with that of Japanese rivals like the one which sponsors the Dutch national football team.

Such criticisms look less appropriate in the light of the 1983 results, and particularly the strong fourth quarter for most parts of the group. But this has if anything left more exposed than ever the deeper issue facing Philips over the future of its consumer businesses. For many investors, it is an issue neatly presented by the story of the V2000 video recorder.

Repeated public assertions that the V2000 has any real future surely defy the commercial logic of the VHS system's market penetration. The effective mothballing of Philips' Vienna assembly plant long enough to switch to full VHS production could yet be an expensive item in the current year's accounts, though curtailed production rates are already aimed at avoiding stock losses. But phasing out the V2000 would eliminate annual trading losses of about Fl 350m and would save the embarrassment of further delays, which might only give an impression of indecisiveness.

Special projects

A quick end for the V2000 might also strengthen Philips' own claim that, despite falling margins on its TV manufacturing and continuing losses in hi-fi and other areas of the division, home electronics can be returned to profitability. The Grundig acquisition could indeed be a useful step in this direction if Philips heeds its own better judgment and allows the German company to operate at arm's length, rather as JVC relates to Matsushita. More fundamentally, there are signs in the development of its compact disc system that Philips has learnt valuable lessons from the V2000 debacle. Marketing, sales and distribution have been assigned a larger share of the budget within a novel "special project" context subject to regular review at board level.

But the European price of the compact discplayer has already fallen sharply and Philips has to contend with any number of ominous precedents in its failure to profit from huge investment in earlier consumer products. It is all a striking contrast to the progress made in markets dominated by the corporate or institutional purchaser rather than the retail shopper.

About 60 per cent of the reorganisation's costs have gone into rationalising the manufacturing arms of the lighting, professional systems and industrial supplies divisions and these have contributed the lion's share of 1983's profits. They are expanding fast in the U.S., too, so perhaps a more exclusive identification with their growth could even be a fitting complement to the changing profile of the group's share ownership.

World Weather

		°C	°F
Ajaccio	C	13	55
Akrotiri	S	18	64
Algiers	F	17	63
Amsterdam	F	5	41
Athens	S	17	63
Bahrain	S	26	79
Bangkok	S	34	93
Barcelona	R	13	55
Beirut	F	20	68
Belgrade	S	16	61
Berlin	C	6	43
Biarritz	R	12	54
Blackpool	F	7	45
Bordeaux	C	13	55
Brussels	C	4	39
Budapest	F	14	57
B Aires	R	19	66
Cairo	S	27	81
Cape Town	S	31	88
Caracas	-	—	—
Casablanca	C	17	63
Copenhagen	S	4	39
Corfu	S	15	59
Dublin	F	7	45

		°C	°F
Dubrovnik	S	13	55
Faro	F	17	63
Florence	F	15	59
Frankfurt	R	5	41
Funchal	-	—	—
Geneva	R	8	46
Gibraltar	C	16	61
Guernsey	R	5	41
Helsinki	Sl	2	36
H. Kong	F	26	79
Innsbruck	F	11	52
Inverness	F	6	43
Istanbul	S	11	52
Jersey	C	4	39
Jo'burg	F	19	66
Las Palmas	F	18	65
Lima	S	26	79
Lisbon	F	14	57
Locarno	R	7	45
London	F	5	41
Los Angeles	S	10	50
Luxembourg	R	2	36
Madrid	F	15	59
Majorca	C	16	61

		°C	°F
Malaga	F	18	64
Malta	S	19	66
Manila	S	37	99
Miami	S	17	63
Milan	R	8	46
Moscow	C	5	41
Munich	R	10	50
Nairobi	F	29	84
Naples	F	16	61
New Delhi	S	37	99
New York	S	3	37
Nice	R	10	50
Oporto	S	13	55
Oslo	S	3	37
Paris	R	2	36
Prague	C	8	46
Reykjavik	R	4	39
Rio de J'o	-	—	—
Rome	C	15	59

		°C	°F
Salzburg	C	12	54
Seoul	S	14	57
Singapore	F	32	90
Stockholm	C	2	39
Strasbourg	R	7	45
Sydney	F	22	72
Taipei	C	25	77
Tangier	F	16	61
Tehran	-	—	—
Tel Aviv	S	23	73
Tenerife	S	20	68
Tokyo	C	4	39
Toronto	S	-1	30
Tunis	S	21	70
Valencia	F	18	64
Venice	C	13	55
Vienna	F	13	55
Warsaw	C	10	50
Zurich	R	8	43

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Pressure on Argentina

Continued from Page 1

The announcement by the Argentine Government on Friday night that the price of fuels and public utilities would be increased by up to 33 per cent, appears to anticipate the austerity which the Government may have to accept if it is to cut drastically the budget deficit from more than 14 per cent of gross domestic product at present.

But domestic political pressures will mean that Sr Grinspun will almost certainly continue to resist an excessively fierce programme of retrenchment on the grounds that it risks plunging Argentina into political chaos and thus destroying the prospect of debt repayment.

In Washington, Mr Regan denies that the plan amounted to a bail-out for the banks. If Argentina had defaulted, then other countries, he said, "which have gone through headaches and heartaches would have been hard pressed to explain why they are paying when Argentina refuses to pay."

He added that if a precedent had been created for Argentina, then banks would be "less willing to advance credit to developing countries." It was this fear, he added, which prompted other Latin American countries to support the package.

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FINANCIAL TIMES
Monday April 2 1984

Dramatic finish to Latin American debt crisis talks

BY MARGARET HUGHES IN LONDON

ONCE AGAIN the Latin American debt crisis has taken on theatrical overtones and again it is Argentina at centre-stage. After the relatively sedate proceedings of the Inter-American Development Bank meeting at Punta del Este early last week events took an unexpectedly dramatic turn at the end of the week – reminiscent of the brinkmanship surrounding last summer's negotiations for the £1.5bn commercial bank loan for Argentina.

Feverish negotiations in Buenos Aires, New York and Washington on the apparent last minute initiative of the U.S. Treasury produced not only a solution to the immediate Argentine problem, albeit a temporary one, but also one which has surprising and unusual elements.

The U.S. Government's intervention took everyone by surprise, including those bankers most involved in the Argentine debt negotiations. After the earlier failure of the talks between the relevant parties on the sidelines of the IDB meeting, most of the U.S. banks with loans outstanding to Argentina seemed to be reluctantly accepting that they would have to be declared "non-performing." Such was the pessimism that there are reports, as yet unconfirmed, that telexes were sent to the creditor banks telling them precisely that.

Although the U.S. Treasury said that it was concerned about international banking confidence, Mr Beryl Sprinkle, Under Secretary at the U.S. Treasury has claimed that it was not concerned about "banks having to lose money on some bum loans." Nevertheless it can be assumed that there was at least some indirect pressure from banks.

That said, there is no doubting the U.S. Treasury's claim that it stepped in to avert a crisis for Argentina's new democratic administration. In an election year the motives of the U.S. Government are clearly in part, at least, political.

The most surprising aspect of the package is the direct participation in the financing by four other Latin American countries. International bankers have long feared that any co-operation between these countries would amount to a debtors' cartel repudiating their debts. What we now have is quite the reverse.

The action by the four Latin American countries appears part political and part economic. All four are anxious to keep their lines open with the international banking community.

At the same time all four are in Latin American terms democracies, or on the way to becoming so.

Three of the four – Mexico, Colombia and Venezuela – are also members of the Contadora group, committed to ending the wars in Central America and have been actively lobbying Brazil and Argentina to join their efforts.

That Mexico, Venezuela and Colombia should be putting up money for Argentina is less surprising than Brazil's participation. All three do at least have reserves to dip into, while Colombia is one of only two countries in the region which has not had to reschedule.

Brazil, however, is the most financially pressured with the largest foreign debt of any country – at $92bn. But the release of the recent third $1bn tranche of its commercial bank jumbo loan has enabled it to make its current interest payments so it presumably can bear the burden for a limited period.

Until the U.S. Treasury reimburses the four with the $300m bridging loan, Sr Jesus Silva Herzog, the Mexican Finance Minister, is believed to have played a major role in getting his Latin American neighbours to support Argentina. Mr Paul Volcker, Chairman of the Federal Reserve Board, is also believed to have been actively involved in drawing up the final package.

Caution rules Eurodollar market

BY MARY ANN SIEGHART IN LONDON

CAUTION is the key word in the Eurodollar bond market. Last week, prices edged up hesitantly on two or three days, almost as if they had got out of the habit. New issue managers were surprised when the four new fixed-rate issues traded reasonably well.

Dealers are hesitant about predicting a rally – and some are still positively bearish – but by the end of last week, there was certainly a firmer undertone to the market, with none of the feeling of a few weeks ago that unfavourable U.S. statistics could precipitate a free fall in prices here.

The market has obviously been encouraged by a couple of better days on the U.S. domestic market. But it has also benefited from the last two weeks' reduction in new issue activity. Floating rate note new issues have slowed down to a trickle (or, more precisely, a $100m bond for Banca Nazionale del Lavoro). This has allowed the first two and a half months of the year's flood to be slowly absorbed.

Fixed-rate new issues have been launched on much higher coupons than those of three or four weeks ago. As a result, they have traded well: on Friday, the new issues from Sweden, Österreichische Postsparkasse and Eurofima were all changing hands at discounts of 1½ per cent or less.

The star performer of the week was Texaco's huge $1bn convertible. By Friday, it had risen in price by over 1½ points to trade over par.

Paribas was set on Thursday to launch a novel issue of Treasury bonds stripped of their coupons. The technique has been widely used in the New York market, particularly by Salomon Brothers, but no one has yet managed to get round the tax problems that a Euro-issue would face.

Paribas thought that the problems would be solved by putting the bonds in a Luxembourg trust. It sent telexes to potential co-managers, explaining the details of the deal, but the Swiss banks, whose clients would probably be the largest buyers, were not convinced that Paribas's tax advice was watertight. As a result, the issue never materialised.

As Mr Patrick Stevenson, senior vice-president of Paribas, said: "In view of the difficulty of reaching a consensus with the co-managers, we thought it better to put the deal on ice for a while. If you want to do a deal of this kind, you have to be sure that placement in certain countries is ensured. For that, you need the participation of certain banks."

Another deep discount bond has been issued in the Ecu bond market. Nordic Investment Bank, the borrower, has apparently managed to swap the fixed-rate Ecu proceeds for floating rate dollars at around ½ per cent under the London inter-bank offered rate.

Markets in Switzerland and Germany are feeling nervous, maybe because their currencies are no longer strong enough against the dollar to insulate them from the malaise in New York. Trading activity has been very light.

● Euro-clear will now pay its rebates to participants quarterly instead of twice a year. As well as paying 100 per cent rebates on clearance and delivery fees, it intends to repay half as much again in regard to fees paid by participants for the safekeeping of their bonds. This is the first time Euro-clear has refunded a safekeeping fee.

For the whole of this year, it intends to refund around $4.8m, compared with $3.2m repaid last year. For the three months to the end of March, the rebate will be $1.3m, two thirds of which is clearance and delivery fees, and a third which represents safekeeping.

Japan enacts reforms of financial system

BY YOKO SHIBATA IN TOKYO

AFTER MONTHS of talks and under intense pressure from the U.S., Japan has finally made two major changes to its financial system. From today Japanese companies will for the first time be allowed to issue Euroyen (EY) bonds, while from around April 10, trading will be allowed in Japan in foreign commercial paper and certificates of deposit.

Under the new guidelines for Euroyen bonds issued last week by the Ministry of Finance, 30 Japanese companies will be able to issue straight Euroyen bonds, and 90 more will be allowed to issue convertibles. Euroyen bonds are unsecured, yen-denominated bonds issued overseas to tap yen funds held abroad – mainly in the European markets.

In the past only a limited number of foreign governments and international institutions have been allowed to make Euroyen issues. However, after the November talks between Mr Noburu Takeshita, Japan's Finance Minister, and Mr Donald Regan, the U.S. Treasury Secretary, the liberalisation of this field was promised.

The Euroyen market began life in May 1977 with a seven-year EY10bn issue by the European Investment Bank led by Daiwa Securities. Since then highly restrictive guidelines have limited issues to around six a year and to amounts of EY15bn, except for the World Bank which can raise up to EY20bn.

The pool of Euroyen funds is estimated by the Long Term Credit Bank of Japan to be about Y7,000bn, held largely by Japanese banks abroad.

The relaxed rules will allow for each company or institution to make one issue per month up to a maximum of EY20bn

NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
Ohbayashi-Gumi ¶‡	50	1989	5	7¾	100	Nomura Intl., Sanwa Bank	7.750
Omron Tateisi Elec. ¶‡	30	1989	5	6⅝	100	Nomura Intl., Nikko Secs.	6.625
Sumitomo Forestry §‡	20	1999	15	3⅞	100	Daiwa Europe, Kleinwort Benson, Sumitomo Fin.	3.875
Banca Naz. del Lavoro †‡	100	1991	7	⅛	100	CSFB, Lehman Bros., Mgn. Grenfell, Banca del Lavoro	–
Eurofima ‡	100	1991	7	12½	99½	Merrill Lynch	12.612
Oest. Postsparkasse ‡	75	1989	5	12¼	99¾	Orion Royal Bank	12.320
Sweden ‡	200	1989	5	12⅜	100	SBCI	12.375
Nippon Sheet Glass §	25	1994	10	3½	100	Daiwa Europe, Nomura Intl.	*
Ajinomoto Co. §	80	1999	15	3¼	100	Nomura Intl., Nikko Secs., Merrill Lynch, Daiwa Eur.	*
Prof. of Newfoundland	75	1991	7	13	*	CCF, Dominion Secs. Ames	*
CANADIAN DOLLARS							
CNE ‡	58.402	1993	9	13	100¼	Mgn. Stanley, BNP, Nikko Secs., Samuel Montagu, Soc. Gen. de. Bque.	12.951
D-MARKS							
African Devt. Bank ‡	100	1992	7	8	100	Deutsche Bank	8.000
Tsumura Juntendo ¶	100	1989	5	3½	100	DG Bank	*
SWISS FRANCS							
Kao Corpn. **§‡	150	1989	–	1¾	100	SBC	1.750
Consolidated Press ‡	150○	1994	–	6¼	100	Sofitic	6.250
Spain ‡	100	1992	–	6¼	100	SBC	6.250
Showa Museu **§‡	60	1989	–	1⅞	100	UBS	1.875
Gunze Ltd. **§‡	50	1989	–	1⅞	100	UBS	1.875
BHF-Bank **‡	50	1989	–	5½	99¾	UBS	5.559
Nakase Gumi **‡	30	1989	–	5⅞	100	UBS	5.875

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
SWISS FRANCS							
Nippon Sheet Glass **§	30	1989	–	2	100	SBC	*
Dainippon Screen Mfg. **§	100	1990	–	2	100	SBC	*
Sweden	125	1994	–	*	*	SBC	5.750
Sweden †	75	1994	–	¼	100	SBC	–
Toda Kogyo **§	60	1989	–	2	100	SBC	*
Yoshitomi Pharm. **¶	100	1989	–	3¾	*	CS	*
Daiki Aluminium Ind. **§	20	1989	–	2⅛	100	Handelsbank	*
NGK Spark Plug Co. **§	100	1989	–	2	100	SBC	*
FHG Hypothekenbank	110	1992	–	*	*	Bque. Gutzwiller Kurz, Bungener, Nordfinanz-Bk. Zurich/Kredietbank Suisse	*
STERLING							
Finland ‡	50	2009	25	11½	98.043	Baring Bros.	11.747
Ireland ‡	50	1994	10	11⅜	100	SG Warburg	11.375
GUILDERS							
EEC	200	1994	10	8¾	*	ABN, Amro Bank	*
Electrolux **‡	60	1989	5	8	99½	Amro Bank, Bk. Mees & Hope	8.126
ECUs							
Nordic Invst. Bk. ǁ‡	50	1994	10	6	100	Sparebanken Oslo Akershus, Bque. Indosuez, Kredietbank, Sparekassen SDS	6.000
Austria ‡	100	1993	8⅔	10⅝	99¾	Kredietbank Intl., Mgn. Stanley, Soc. Gen. de Bque.	10.649
YEN							
Francetel **‡	5bn	1994	9	7.9	100	Nippon Credit Bank	8.056
World Bank ‡	30bn	1996	10.32	7.4	99.5	Nikko Secs.	7.603

* Not yet priced. ‡ Final terms. ** Placement. § Convertible. † Floating rate note: coupon is spread over 6-month Libor. ¶ With warrants. ǁ Redemption at 173. ○ Minimum. Note: Yields are calculated on AIBD basis.

U.S. BONDS

Return to stability after turbulent trading week

THE NEW YORK bond market ended a difficult trading week looking rather more stable than for some time. The difficulties, which focused around the auction of $3.75bn in 20-year Treasury bonds and also the turbulent end of the latest Reserve Maintenance Period (RMP), looked more disturbing at the time than after the excitement had died down. On Friday, the bond market was in a calmer mood, yields were showing only minor gains on the week, and if the dealing community had been left holding the bulk of the week's $15bn Treasury mini refunding, it did not seem unduly concerned.

Money supply was a non-event last week. The most significant developments came after the bond market had ceased trading for the week, when the minutes for the January 30 meeting of the Fed's Open Market Committee, disclosed that the Fed had not been tightening rates.

The announcement of an impending Treasury statement on the Argentine debt situation buttressed the market's confidence that the banks would receive their due interest payments.

U.S. INTEREST RATES (%)

	Week to Mar 30	Week to Mar 23
Fed funds weekly average	9.97	10.04
3-month CD's	10.33	10.42
3-month T-Bills	9.68	9.76
30-year Treasury Bond	12.49	12.46
AAA Utility	13.50	13.63
AA Industrial	13.25	13.38

Source: FT estimates.
In the week ending March 19 M1 fell by $100m to $536bn.

Attempts during the week to fathom the policies of the Federal Reserve Board or the deliberations of the latest FOMC meeting, were thrown into confusion at mid-week when the Federal funds rate plunged — to 5 per cent at one time — and the Federal Reserve drained funds from the market on two consecutive trading days.

However, it soon became clear that the moves were no more than responses to the technical situation surrounding the ending of the most complicated RMP period since the introduction of contemporaneous reserve accounting.

A drop from $5bn to $4.6bn in Treasury balances at the Federal Reserve during the week to March 26 had been reflected in a similar increase in banking reserves, and the Fed reacted, or perhaps over-reacted, accordingly. But the bruises were soon healed, and the Federal funds rate was restored to its recent levels of just over 10 per cent. All the indications in the market were that the Fed has settled on a funds rate of around 10½ per cent.

The first two legs of the Treasury refunding—$6bn in four-year notes and $5.25bn in seven-year notes — attracted strong bidding interest. It was the auction of $3.75bn in 20-year bonds that caught the market wrong-footed.

There was keen demand for the bonds ahead of the auction in the yield-only market, with major trading houses claiming ready demand for the issue for "stripping," or splitting the coupon fro mthe bond and selling both as zero-interest securities. Salomon Brothers indicated that it had bought $1.5bn for just that purpose. But the buyers failed to materialise on auction day, and the bonds were sold at an average yield of 12.39 per cent, the highest on such bonds for more than two years. Moreover, the Treasury was obliged to give some buyers yields of 12.50 per cent.

However the firmer tone of the bond market on Friday afternoon, helped by the prospect of an 11th-hour agreement on the Argentine loans, indicated some optimism over the short-term outlook. Last week's disclosure of 0.7 per cent growth in the commerce department's leading indicators, and similar growth in factory orders, confirmed the strength of the economy in February.

But the bond market is now looking for the expected slow-down in the economy, which it hopes to find disclosed this week in the Purchasing Managers Index and domestic car sales for March. While the medium-term outlook for bonds remains bearish, any significant dip in these sensitive economic indicators is likely to strengthen attempts by the bond market to stage a temporary rally.

Terry Byland

Auditors qualify nuclear utility profits statement

BY TERRY BYLAND IN NEW YORK

THE STRUGGLE by Long Island (Lilco) to overcome the problem of its $4.1bn nuclear power station at Shoreham, near Manhattan, received a further setback yesterday when the utility company's profits statements for last year were qualified by auditors, Price, Waterhouse.

Lilco passed its 1983 dividend and trimmed its workforce by one-fifth a month ago, but is still unable to satisfy safety requirements without which the Shoreham plant cannot obtain an operating licence.

The auditors condition their acceptance of the profit report on Lilco's "continued financial viability" and also on the effects on the 1983 results of adjustments which might have been required had the Shoreham uncertainties been known.

Lilco reported net income of $365m or $2.60 a share for 1983 on revenue of $1.8bn, against $309.4m or $2.70 on revenues of $1.6bn in the previous year.

The auditors report referred to the uncertainties over completion of the Shoreham project and the pending investigation into its cost by the New York state Public Service Commission, as well as to Lilco's suspension of payment on the Nine Mile Point project, from which it withdrew a month ago.

The crisis in the U.S. energy utility industry caused by the surging costs and public disapproval of nuclear plant projects has already brought a qualification of the accounts of Public Service of Indiana, which abandoned its Marble Hill nuclear project after incurring costs of around $2.8bn.

● Another U.S. nuclear power reactor, at Seabrook, New Hampshire, is under serious threat of abandonment after around $810m has been spent on construction work, adds Terry Dodsworth from New York.

The 11 utilities which own the plant want to complete only one of the two units planned because costs have ballooned from the original $1bn to a potential $9bn, while the completion date has been stretched from 1981 to 1985. The companies now believe that they could import hydro-electric power more cheaply from Canada.

Reliance resells Quaker Oil stake

RELIANCE FINANCIAL Services, the wholly-owned subsidiary of Reliance Group, the privately-held investment arm of financier Mr Saul Steinberg, announced that it is selling its 8.9 per cent stake in Quaker State Oil Refining back to Quaker — effectively abandoning its plans to buy further shares and seek control, reports our New York staff.

Mr Steinberg has sold his 1.9m Quaker shares, acquired between $17.75 and $20.275 a share, to Quaker for $24 a share, netting a profit of around $9.5m. On the stock market, Quaker shares, which had risen as high as $20 after Mr Steinberg told the SEC that he might boost his stake in the refiner to nearly 20 per cent, fell by $2⅛ to $16⅞ after the announcement.

The news also inspired a rise of $2⅛ to $67⅛ in shares of Walt Disney, another recent takeover favourite, in which Reliance Financial last week disclosed that it bought 2.2m shares, or 6.3 per cent of the equity, for around $132.5m.

NAB to buy 50% of Melbourne broker

MELBOURNE — National Australia Bank plans to buy a 50 per cent interest in the Melbourne-based stock brokers A.C. Goode and Company.

The bank is the second company to announce a move into the Australian stock broking business since the Melbourne and Sydney stock exchanges altered their rules to allow outside ownership in brokerage firms.

The rules, which went into effect yesterday, still require some government approvals. The National Companies and Securities Commission has 30 days to decide whether or not to disallow the changes, but exchange officials are anticipating approval.

National Australia Bank, one of Australia's top four trading banks, said its move into A. C. Goode would not be finalised until after July 1, when the Commission's 30 day review period is over.

The regulation changes also include eliminating fixed brokerage fees and extending trading hours.

Last week, the diversified pastoral wool broking, and finance company Elders IXL announced plans to take a 40 per cent stake in brokers Roach Tilley Grice.

AP-DJ

Air Florida pulls back annual loss

BY TERRY DODSWORTH IN NEW YORK

AIR FLORIDA, the ailing Miami-based airline, lost $39.2m net last year against $83.4m in 1982, while revenues fell from $282m to $218m. Per share loss amounted to $2.29 against $5.68.

Mr Donald Lloyd-Jones, chairman and chief executive, said that while 1983 had resulted in a significant change in the airline's operations, the positive effect of the restructuring of the group's debt was not reflected in the figures.

Earlier in the year, Air Florida came to an agreement with General Electric Credit Corporation for the acquisition of as much as 55 per cent of the company's equity, after GECC had already loaned the company $6m.

● Ford Motor in a proxy statement has proposed that shareholders vote on an amendment increasing the authorised number of shares to 500m common shares from 250m and to 48.7m class B shares from 24.3m, AP-DJ reports from Dearborn, Michigan.

In addition Ford is proposing the authorisation of a new class of 30m preferred shares.

The company said the increased number of shares would be available for stock dividends and stock splits and could be issued in connection with acquisitions or sold for cash or issued in other transactions. The company said it had no plans with respect to acquisitions involving either common or preferred or any such financing or transaction.

Belgian retailer boosts profit

BY PAUL CHEESERIGHT IN BRUSSELS

GB-INNO-BM, the largest retailer in Belgium with over 7 per cent of total domestic sales, has announced a 6 per cent increase in net profits for 1983 over 1982 at BFr 1bn ($18.6m).

But the group is holding its dividend at the 1982 level of BFr 215 net. At the gross level there is a slight gain because withholding tax has been increased from 20 to 25 per cent. Shares issued in 1982 to benefit from tax concessions attract a 1983 dividend of BFr 337.06.

Sales slowed in the second half, reflecting the sluggishness in the Belgian economy and the fall in disposable income. But the overall growth for the year was 8 per cent to BFr 131.2m, with the group's own stores accounting for BFr 118bn and the balance coming from wholesale sales.

INTERNATIONAL APPOINTMENTS

Chief financial officer at Colgate Palmolive

● COLGATE-PALMOLIVE COMPANY has appointed Mr Paul A. Jones as corporate executive vice president and chief financial officer, from April 1. Mr Raymond F. Pettit, who has been chief financial officer, will be leaving to join the Rockefeller Group. Mr Jones was executive vice president and chief general counsel at Kimberley-Clark.

● CHRYSLER CORP has appointed three executives to key positions in its manufacturing group. Mr Robert J. Piccirilli, Jr, is appointed director of quality and product engineering for Chrysler's stamping, assembly and diversified operations group. He was plant manager of the Sterling Heights (Michigan) assembly plant, where Mr Forest J. Farmer is appointed to succeed him. Mr Timothy F. Hiller is appointed plant manager of the Newark (Delaware) assembly plant, Mr Farmer's previous post.

● Mr Thomas F. Burchill has been named president and chief executive officer of HEARST/ABC - VIACOM ENTERTAINMENT SERVICES and the LIFETIME cable television network. The appointment is from April 1. He was president and chief executive officer of the RKO radio networks.

● Dr Francesco Parenti has been named director of the expanded Lepetit Research Centre of the DOW CHEMICAL GROUP in Italy. The centre is to be based on new $10m premises at Gerenzano, near Milan.

● Mr Ian Logie has been appointed an assistant general manager, international division, of the BANK OF SCOTLAND and executive vice president, North America, from April 16. He will be based at the bank's New York branch, and was previously manager of the Glasgow chief office. Mr William Moodie, senior vice president, New York, returns to the UK as a senior manager of the Bank of Scotland's London chief office, from July 16.

Mr Ian Logie, Bank of Scotland executive vice president, North America

● Mr Antoine F. Khayat has been appointed general manager of the Bahrain branch of SCANDINAVIAN BANK in succession to Mr J. Alan Thornton who has returned to London in a senior planning role in the bank. Mr Khayat was previously with Gulf International Bank in London. Mr Peter E. B. Persson has joined Scandinavian Bank's senior management team in Bahrain where he will also act as the permanent regional representative of the Bank's major Swedish shareholder, Skandinaviska Enskilda Banken, with whom he has worked for many years.

● Dr Silvio de Capitani has succeeded the late Mr Albert Lang on the board of SWISS VOLKSBANK, Berne.

● Mr David L. Hanson, a general manager of Midland Bank, has been appointed a senior executive vice president of CROCKER NATIONAL BANK from April 2. He will move to San Francisco as chairman of the bank's credit control committee, chief lending officer, and vice chairman of the credit policy committee. Mr G. Douglas Cockburn, previously a senior vice president of Crocker, has been appointed an executive vice president, also at the bank. He will have responsibility for risk management, will be vice chairman of the bank's credit control committee, and continue as a member of the credit policy committee.

● Mr Kare B. Dullum, a member of corporate management and senior executive vice president —finance and administration, NOVO INDUSTRI, Copenhagen, has accepted a partnership in the Danish brokerage firm Gudme Raaschou, from January 1, 1985. He will also be named chief executive officer of a new investment banking operation planned by that firm. Mr Dullum will continue in his current capacity as chief financial officer of Novo until the end of 1984. Mr Kurt Anker Nielsen becomes vice president — corporate planning systems, investor relations and corporate communications, at Novo from April 1.

● Mr Richard A. Gray, Jr, has been elected vice president and corporate secretary at AIR PRODUCTS AND CHEMICALS INC. He joined Air Products in 1962 as an attorney, and in 1980 was appointed associate general counsel.

● LEGAL AND GENERAL has appointed a new head for its life assurance operations in Australia. Mr Andy Small, 37, takes over as managing director of the Legal and General Australia Group of Companies from Mr John Elbourne on July 1. Mr Small has spent 21 years with Lega land General and is currently UK manager for life sales and marketing.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alaska Housing 11¾ 94	100	95⅛	95⅝	−0⅛	+0⅛	12.58
Australia Com. 11¼ 90	100	99⅜	99⅞	−0⅛	+0⅛	11.36
Australia Com. 11½ 95	300	93⅛	93⅝	−0⅛	+0⅛	12.59
Australia Com. 11⅝ 98	100	92⅞	93⅜	−0⅛	0	12.66
Australian I. Dv. 11 89	75	95⅜	95⅞	−0⅛	−0⅛	12.26
Bank of Tokyo 11⅞ 90	100	96½	97	−0⅛	+0⅛	12.[illegible]
Beneficial O/S F. 12 91	100	94⅛	94⅝	0	+0⅛	13.25
Britoil Fin. 11⅞ 90	125	95⅞	96⅜	−0⅛	+0⅛	12.74
Canada 10⅞ 88	500	96⅞	97⅜	−0⅛	+0⅛	11.69
CCCE 12⅝ 95	75	97⅛	97⅞	−0⅛	+1⅛	13.00
Citicorp O/S 10⅞ 90	100	90⅜	90⅞	−0⅛	+0⅛	12.85
DNC 11¾ 91 WW	50	94⅝	95⅛	+0⅛	−0⅛	12.90
DNC 11¾ 91 XW	50	93⅜	94⅛	−0⅛	−0⅛	13.17
Denmark Kgdm. 12 91	100	95½	96	−0⅛	−0⅛	12.96
Denmark Kgdm. 12¼ 93	100	97⅜	98⅛	0	+0⅛	12.59
Dutch Mines 11⅝ 91	150	93⅝	94⅛	0	+0⅛	12.75
EDC 11⅛ 89	150	95⅜	95⅞	−0⅛	+0⅛	12.39
EEC 12 93	50	97⅜	97⅞	−0⅛	+0⅛	12.41
EIB 11½ 90	200	94⅜	94⅞	−0⅛	0	12.71
Eksportfinans 11½ 90	100	93⅞	94⅜	0	+0½	12.83
Gen. El. Cr. 11 91 WW	200	93⅞	94⅜	−0⅛	+0⅛	12.30
GMAC O/S Fin. 11⅜ 90	100	96⅛	96⅝	0	+0⅛	12.16
III 12 89	100	96⅞	97⅜	−0⅛	+0⅛	12.85
Illinois Power 12½ 92	100	†96⅛	96⅞	+0⅛	+0⅞	13.21
Ind. Bk. Japan 11½ 89	125	96⅛	96⅝	−0⅛	+0⅛	12.52
Ind. Bk. Japan 11⅞ 91	100	95⅜	96⅛	−0⅛	+0⅛	12.72
Int. Ppr. O/S Fin. 12 91	75	97⅜	98⅛	0	+0⅛	12.44
ITT Finan. 11¼ 89 WW	125	98½	99	−0⅛	+0⅛	11.78
J. C. Penney 11⅞ 90	100	95⅜	96⅛	−0⅛	0	12.77
J. P. Mrgn 11¼ 90 WW	150	95⅜	95⅞	−0⅛	0	12.37
LTCB 12¼ 90	85	99⅛	99⅝	−0⅛	+0⅛	12.57
Macy O/S 11⅝ 91	100	95⅝	96⅛	−0⅛	+0⅛	12.64
Mitsui Trust Fin. 12 91	100	95⅞	96⅜	−0⅛	+0⅞	12.86
Ned. Gasunie 11¾ 91	75	93⅞	94⅛	−0⅛	+0⅛	12.62
Nippon Credit 11⅞ 90	100	96	96½	−0⅛	+0⅛	12.71
Nippon Tele. 11⅜ 90	100	97	97½	−0⅛	+0⅛	12.04
Norwest O/S 12¼ 91	50	†95⅜	95⅞	−0⅛	+0⅛	13.11
Nova Scotia Pr. 11¼ 91	100	95⅛	96⅛	−0⅛	+0⅛	12.64
Ontario Hydro 11⅝ 94	200	93⅝	94⅛	−0⅛	+0⅛	12.71
Pacific Gas & El. 12 91	75	96⅞	97⅜	−0⅛	−0⅛	12.57
PK Banken 12 90 WW	75	95⅜	96⅛	+0⅛	+0⅛	12.92
Prudential 10⅝ 93 XW	150	86⅛	86⅝	0	0	12.81
Quebec Hydro 11½ 92	100	†96⅛	96⅝	−0⅛	−0⅛	12.17
Quebec Prov. 12¼ 94	150	99	99½	0	+0⅛	12.37
Royal Bk. Can. 11¼ 89	100	97	97½	−0⅛	+0⅛	12.26
Rural & Ind. Bk. 12 91	50	96⅛	96⅝	−0⅛	+0⅛	12.78
Sears O/S Fin. 11⅝ 89	50	†94	94½	−0⅛	−2⅛	12.89
Sears O/S Fin. 11½ 88	125	99½	99⅞	0	+0⅛	11.57
Sears O/S Fin. 11⅝ 91	150	94⅞	95⅛	−0⅛	0	12.74
S. Pac. O/S F. 11⅝ 89	75	†94⅞	95⅛	−0⅛	−0⅛	13.05
Sec. Pac. O/S F. 12 92	100	96⅛	96⅝	−0⅛	+0⅛	12.74
SEK 11½ 89	100	95½	96	−0⅛	+0⅛	12.70
Shearson/Amex 12⅝ 94	100	94⅜	94⅞	0	+0⅛	13.12
Texaco Capital 10½ 93	200	90	90½	−0⅛	+1⅛	12.25
Tokai Asia 12¼ 91	100	96½	97	−0⅛	+0⅛	12.97
World Bank 11⅛ 88	100	97⅛	97⅝	−0⅛	+0⅛	11.88
World Bank 11¼ 90	200	94⅜	94⅞	−0½	+0⅛	12.64
World Bank 11⅜ 89	200	96⅛	96⅝	−0⅛	+0⅛	12.35
World Bank 11½ 90	150	95⅛	95⅝	−0⅛	+0⅛	12.56
World Bank 12 93	200	97⅜	98⅛	−0⅛	+0⅛	12.36

Average price changes... On day −⅛ on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Allied Chemical 7½ 94	125	100½	101	0	+1	7.38
Amca Intl. 8¼ 91	100	100⅞	101⅛	+0⅛	+0⅛	8.08
ANAS 8½ 91	150	100⅛	100⅝	−0⅛	−0⅛	8.41
Austria, Republic 7⅝ 94	200	99	99½	+0⅛	0	7.73
Barclays O/S 8⅛ 98	250	101⅞	102⅜	−0⅛	0	7.86
Baxter Travenol 7¼ 94	200	98⅜	98⅞	−0⅛	0	7.50
Credit National 8⅛ 94	200	100⅜	100⅞	−0⅛	−0⅛	8.03
Degussa Int. Fin. 7½ 94	100	101½	102	+0⅛	+0½	7.24
EEC 8 92	200	†100⅞	101⅛	−0½	−1⅛	7.82
EIB 8 91	250	101⅜	101⅞	+0⅛	+0⅛	7.72
Finland Rep. 7½ 91	150	†100⅞	101⅛	+2⅛	+2⅛	7.37
IADB 8⅛ 93	150	100⅝	101⅛	−0⅛	−0⅞	8.11
Int. Standard Ele. 7⅝ 90	100	101⅝	102⅛	−0½	−0⅛	7.03
Megal Fin. 8⅛ 94	150	100⅝	100⅞	0	+0⅛	8.16
Mitsbshi. H. 3½ 89 WW	300	104⅛	104⅝	+0⅛	+1⅛	2.56
Mitsbshi. H. 3½ 89 XW	300	85⅝	86⅛	+0⅞	+0⅛	6.94
OKB 7½ 88	100	100⅛	100⅝	+0⅛	+0⅛	7.35
Pepsico O/S Fin. 7¼ 94	250	99⅛	99⅝	0	+0½	7.34
Reynolds O/S F. 7⅜ 94	125	100½	101	−0⅛	+0⅛	7.38
Sth. Africa Rep. 8½ 91	200	101½	102	0	−0⅛	8.17
SNCF 8⅛ 93	100	101⅜	102	0	−0⅛	7.87
Veba Int. F. 4 93 WW	300	123⅛	124⅛	+0⅛	−2⅛	1.38
Veba Int. F. 4 93 XW	300	77⅞	78⅜	−0⅛	−0⅛	7.27
World Bank 7⅜ 89	100	101½	102	0	+0⅛	7.30
World Bank 8 93	300	100⅝	101⅛	−0⅛	−0⅛	7.84
World Bank 8 94	200	100⅝	101⅛	−0⅛	−0⅛	7.85

Average price change.. On day 0 on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 6 94	100	101⅛	101⅝	−0⅛	−0⅛	5.83
Austria Republic 5½ 94	150	99⅜	99⅞	−0⅛	−0⅛	5.58
Cofiroute 7 94	80	103	103⅛	+0⅛	+0⅞	6.56
EIB 6⅝ 96	125	101½	101⅞	+0⅛	+0⅛	6.55
Elec. Power Dev. 5⅝ 93	100	100⅜	101	−0⅛	+0⅛	5.50
Finland Republic 5⅛ 94	100	99½	99⅞	0	0	5.80
Int.-Am. Dev. Bk. 6 93	100	99⅜	100	−0⅛	−0½	6.01
Ireland 6½ 93	80	103⅛	103⅞	+0⅛	+0⅛	5.97
Japan Dev. Bank 5½ 94	100	*†101½	101⅞	0	0	5.28
Jap. Highway P. 5⅝ 91	100	102	102⅛	−0⅛	+0½	5.27
Kyushu Ele. Pwr 5⅝ 92	100	101	101½	0	+1	5.46
Manitoba Prov. 5½ 93	100	101½	101⅞	0	−0½	5.28
Mont Blanc Tunl. 6¼ 93	35	102⅛	102½	−0⅞	+0⅛	6.03
Mt. Bk. Denmark 6¼ 91	80	102	102⅛	−0⅛	0	5.89
Nat. Aust. Bk. 5⅝ 94	100	99⅛	99½	−0⅛	0	5.71
Newscorp 6⅛ 94	175	101⅛	101½	0	0	6.06
Nippon Express 5⅞ 94	100	99⅞	100	0	0	5.89
Nippon Tel. & T. 5¼ 93	100	103	103⅛	+0½	−0½	5.32
Nip. Yusen K. K. 5⅝ 92	100	100½	100⅞	+0⅛	+0⅞	5.65

(continued)	Issued	Bid	Offer	Change on day	Change on week	Yield
Quebec Province 5⅝ 93	100	101½	101⅞	+0⅛	−0⅛	5.40
Shikoku Elec. Pwr. 6 91	100	101½	101⅞	−1	0	5.73
Soc. Lux. Cnt. 5⅛ 93	100	100½	100⅞	0	+0⅛	5.66
Tohoku El. Pwr. 5⅝ 92	100	†100	100⅛	0	0	5.73
Trizec Corpn. 6⅛ 93	100	101	101⅛	−0½	+0⅛	5.96
World Bank 5⅝ 94	200	98⅛	99	−0½	−0½	5.80

Average price changes... On day −0⅛ on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 7⅜ 94	15	100⅜	100⅞	0	+0⅛	7.28
Eurofima 7⅛ 94	10	100⅝	101	0	+0⅛	7.27
Int.-Am. Dv. Bk. 7⅞ 93	15	102⅜	102⅞	0	0	7.47
New Zealand 7⅝ 89	15	104⅛	104⅝	0	0	6.60
World Bank 7⅝ 93	20	103	103½	0	+0⅛	7.14

Average price changes... On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Br. Col. Hyd. 12 93 C$	125	95	95½	−0⅛	−0⅛	12.96
Br. Col. Tel. 12⅞ 99 C$	70	95⅞	96⅜	−0⅛	+0⅛	12.77
Canadn. Oc. 12⅝ 99 C$	60	†96⅞	97⅜	−0⅛	+0⅛	12.81
EIB 12⅛ 91 C$	80	†96⅞	97⅜	−0⅛	+0⅛	12.73
Loblaw. 12½ 90 C$	35	†96	96½	0	+0⅛	13.34
Montreal City 12 90 C$	50	†96⅞	97⅜	−0⅛	+0⅛	12.63
World Bank 12⅝ 90 C$	75	†98½	99	+0⅛	+0⅛	12.50
Cie Bancaire 11 90 ECU	37	99	99½	−0½	+0⅛	11.12
WestLB F. 10⅞ 91 ECU	50	†100	101	0	+1	10.75
Amro Bank 8⅝ 88 Fl	100	103	103½	+0⅛	0	7.85
Bk. Mees & H. 8⅛ 89 Fl	100	99⅜	99⅞	−0⅛	0	8.34
Int. Stand. El. 8½ 89 Fl	100	101⅞	102⅜	−0⅛	+0½	7.86
Ned. Mddnstbk. 9 88 Fl	100	103⅛	104⅛	0	+0½	7.90
PHP 8⅛ 89 Fl	75	99½	100	0	−0⅛	8.31
Rabobank 9 88 Fl	100	103⅛	103⅝	−0⅛	−0⅛	8.06
OKB 14 86 FFr	400	100⅜	101⅛	0	−0⅛	13.38
Solvay et C. 14⅛ 86 FFr	200	101⅛	102⅛	0	−0⅛	13.34
BFCE 11½ 88 £	50	101⅛	101⅝	−0⅛	+0⅛	11.05
Ciba-Geigy Int. 6⅝ 93 £	25	100	101½	0	−0⅛	6.63
Commerzbank 11½ 90 £	25	100⅛	100⅞	0	+0⅛	11.33
Denmark 10⅝ 89 £	75	97⅛	98⅛	0	+0⅛	11.26
EEC 11⅜ 94 £	50	99⅛	100⅛	0	+0⅞	11.38
EEC 11⅞ 93 £	50	101½	101⅞	−0⅛	0	11.58
EIB 10⅝ 92 £	50	96⅛	96⅝	0	+0⅛	11.46
Finland Rep. 11⅞ 88 £	50	102⅜	102⅞	0	+0⅛	11.05
III 10⅝ 93 £	25	97	97½	0	+0⅛	11.21
III 11½ 91 WW £	50	†102	103	0	−0⅛	10.97
Int. Stand. El. 11⅛ 89 £	50	100½	101	+0⅛	+0⅞	10.89
Norsk Hydro 12 90 £	30	104⅛	105⅛	+0⅛	0	10.84
Sweden 11⅜ 93 £	50	99½	100	0	+0½	11.27
Sw. Ex. Cred. 11⅛ 88 £	30	100⅛	100⅝	0	0	11.06
World Bank 11⅛ 88 £	100	100⅜	101⅛	0	+0⅛	10.79
Electrolux 10 89 LuxFr	500	97⅞	98⅞	0	+0⅛	10.43
Europarat 10⅝ 93 LuxFr	600	99⅜	100⅜	+0⅛	+0⅛	10.72

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Banking 5⅛ 96	0⅛	98⅜	98⅞	15/9	10.81	10.98
BBL Int. 5 99	0⅛	98⅝	98⅞	11/4	5	5.06
Barclays O/S I. 5 2004	0⅛	98⅛	98⅝	2/9	10.56	10.72
BFG Fin. 5⅛ 96	0⅛	99⅛	99⅝	1/6	10⅛	10.45
BNP 5⅛ 95	§0⅛	99	99⅛	6/8	10.19	10.28
Commerzbk. 5⅛ 89 XW	0	99	99⅛	21/5	10	10.09
Creditanstalt Bk. 5 96	0⅛	98⅜	98⅞	23/8	10½	10.69
Denmark 5⅛ 2004	0⅛	98⅝	99⅛	17/8	10⅛	10.45
Die Erste Oes. 5⅛ 92	0⅛	98⅛	98⅝	27/7	10⅛	10.42
Dresdner Fin. 5⅛ 89	0	98⅞	99⅛	23/5	10⅛	10.33
EDF 5⅛ 99	0⅛	98⅛	98⅝	23/8	10.56	10.72
Ferrovie Stato. 5⅛ 99	0⅛	98⅜	98⅞	31/8	10.69	10.82
Genfinance 5 94	0⅛	99⅜	99½	19/7	10⅛	10.19
Grindlays Euro. 5⅛ 94	0⅛	99½	99⅞	1/8	10⅛	10.33
Kansallis Osake 5⅛ 92	0⅛	†99⅛	99⅝	1/8	10⅛	10.20
Midland Int. Fin. 5 99	§0½	98⅜	98⅞	6/9	10.56	10.70
Mitsui Finance 5⅛ 96	0½	98⅞	99⅛	1/9	10.56	10.67
Neste Oy 5⅛ 94	0⅛	99	99⅛	23/8	10.56	10.66
Quebec Hydro 5⅛ 94	0⅛	99⅛	99⅝	19/7	10⅛	10.20
Sanwa Int. Fin. 5⅛ 92	0	98⅝	98⅞	16/8	10.19	10.34
Spain 5⅛ 97	0⅛	98	98⅛	23/8	10.56	10.76
Sumitomo 5⅛ 94	§0⅛	98½	99	9/8	10⅛	10.24
Sweden Kgdm. 5⅛ 2024	0⅛	†98½	99⅛	22/9	11.19	11.32
Takugin 5⅛ 94	§0⅛	98⅞	99⅛	15/9	10⅛	10.86

Average price changes... On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
BBC Bwn. Boveri 4⅛ 95	2/[illegible]	108	†100	101½	0	−5.46
Daiwa Sec. Co. 5½ 98	10/83	481.8	†126	127½	−1	−3.07
Fanuc 3⅜ 98	1/84	9142	150⅛	151⅛	−0⅛	29.69
Fujitsu 3 99	5/84	1320	110½	111½	+0⅛	6.22
Hitachi Cable 5⅛ 96	2/82	515	167⅛	168⅛	−1⅛	3.48
Honda Motor 5⅛ 98	6/83	884	133	134	0	−1.15
Konishiroku Ph. 4 98	10/83	673	104	105	0	1.84
Kyowa Hakko 6⅛ 97	2/83	762	139⅛	140⅛	−0⅛	9.62
Minebea Co. 5½ 98	5/83	667	110⅛	111⅛	0	−2.26
Mitsubishi Elec. 5⅛ 98	6/83	396	118⅛	119⅛	+0⅛	2.56
Mitsubishi Heavy 4⅞ 99	1/84	253	107⅛	108⅛	+1⅞	1.10
Murata 3½ 99	2/84	2939	138½	139⅛	−1⅛	25.56
Nippon Oil Co. 3⅞ 99	3/84	1052	115⅛	116⅛	+4⅛	5.23
Nippon Oil Co. 5½ 98	4/83	964	128⅛	129⅛	+4⅞	5.72
Nissan Motor 5⅛ 98	4/83	700	114	115	+3⅛	12.89
Olympus Optic. 6⅛ 97	12/82	1157	106⅛	107⅛	+0⅞	12.69
Ono Pharm. Co. 3⅞ 98	3/84	9490	130⅞	132⅞	+1⅛	5.36
Orient Leasing 5⅛ 98	6/82	2880	148⅞	149⅞	−2⅛	−6.60
Secom 5 98	11/83	2920	236½	238½	−0½	−2.35
Yamaichi Sec. Co. 5 98	8/83	449.5	124⅛	125⅛	+1½	0.01
Yamanouchi Ph. 4 90	10/83	1808	98⅛	99⅛	−0⅛	28.65
Nippon Air. 2⅞ 94 SwFr	2/84	354	100	102	−0½	−0.93
Nippon Shin. 2 92 SwFr	3/84	801	98⅛	100⅛	+0⅛	22.96
Settsu Ppr. 2⅛ 92 SwFr	4/[illegible]	677	101⅛	103⅛	+0⅛	−2.64
Asics 6 92 DM	12/83	520	111½	112½	−0⅛	27.15
Sum Realty. 6⅛ 92 DM	2/83	365	166⅛	167⅛	+4⅛	−0.42

EUROBOND TURNOVER
(nominal value in $m)

	Cedel	Euro-clear
U.S. $ bonds		
Last week	5,550.0	12,529.2
Previous week	6,967.9	16,439.6
Other bonds		
Last week	2,024.0	2,421.6
Previous week	1,451.4	1,472.7

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bank of Tokyo International; Blyth, Eastman, Paine, Webber International; Chase Manhattan; Citicorp International Bank; Credit Commercial de France (Securities) London; Daiwa Europe NV; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nomura International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Scandinavian Bank; Societe Generale Strauss Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Swiss Bank Corporation International; Wood Gundy.

Closing prices on March 30

Commodity losses hit George Wills

IN LINE with the announcement made at the beginning of March at George Wills and Sons (Holdings), pre-tax profits for 1983 showed a sharp decline from £1.63m to £610,000 and the final dividend has been held at 5.5p. However the directors say budgets for 1984 indicate a record year, with profits in the region of £2m.

The profits slump was caused by the group's international commodity company which incurred an exceptional loss of £1.11m caused by volatile price movements of soyabean meal. Full provision has been made in the accounts and the company has withdrawn from this market.

The loss negated the good level achieved in the second half of the year.

Turnover of this importer and commodity trader moved up from £95.52m to £101.24m.

The final dividend maintains the total at 8p. Earnings per 25p share were cut from 16.77p to 7.33p.

Pre-tax profits were struck after the cost of sales £96.39m against £87.55m. Selling and administration expenses were little changed at £3.71m compared with £3.75m. Other operating income fell from £111,000 to £91,000, and interest received moved up from £300,000 to £481,000. There were no exceptional debits last time.

At the halfway stage profits fell from £680,000 to £620,000.

GT Asia Sterling

Net first quarter income at GT Asia (Sterling) Fund, an open-ended investment company based in Jersey, rose from £22,365 to £30,699. Net assets at the end of the period, December 28 1983, stood at £20.96m compared with £14.75m.

Full SE listing for First Leisure

BY ALISON HOGAN

First Leisure Corporation, the leisure company headed by Lord Delfont, is coming to the Stock Exchange for a full listing and raising £9.85m through an offer for sale of 6m shares at 180p per share.

Two thirds of the UK population visited the seaside last year and many of them spent money in one of First Leisure's centres from the Blackpool Tower to the Chichester Marina, contributing to turnover of £41.97m and pre-tax profits of £4.49m.

First Leisure is a strong cash flow business with properties valued in the prospectus at £44.52m, of which around 80 per cent are freehold. Net tangible assets per share at October 31, 1983 were 156p.

The company would have a market capitalisation of £44.1m at the offer price of 180p per share which gives a price earnings multiple of 15.7 times on a notional fully taxed basis, and a yield of 4.8 per cent.

The company has undergone considerable reorganisation in the last couple of years. It disposed of £3.2m worth of activities which were either unprofitable or unsuitable.

Margins have increased by pruning overheads, particularly labour costs. The pay roll varies from around 2,000 people in the winter to around 3,500 at the height of the season.

The three main divisions are fairly autonomous except where central controls are of benefit, such as in training and purchasing of supplies, particularly food and drink.

Turnover from the seven piers and several leisure centres including Blackpool Tower and the Rhyl amusement park, increased by over £1.5m to £3.83m in 1983.

The theatre, restaurants, dancing, sports and holidays division also showed an improvement in margins and profits. Turnover rose from £2.49m to £3.29m.

The live entertainments division is a small but important part of the business, according to Lord Delfont. It has a high reputation for putting on shows in London and services its summer shows throughout the country.

Lord Delfont has a team of three divisional managing directors and a finance and business affairs director who oversee the central administration.

Prior to the issue, institutions with stakes of over 5 per cent are London Merchant Securities with 36 per cent and Trusthouse Forte, Anglia Television and Investors in Industry.

Applications for shares should arrive at the National Westminster new issues department by 10.00 am on April 5. Dealings are expected to begin on April 12. Hill Samuel is advising the company; Cazenove are brokers.

● **comment**

With shorter working weeks and rising disposable income a network of leisure centres around the country is a good foundation for a successful business, if the management is astute enough to keep up with fashions and provide the activities the public wants. First Leisure Corporation appears to be doing this. It has upgraded its sports clubs, providing bars and squash courts. It is now adding dancing and aerobic classes. Market research revealed that people wanted more family entertainment at the Blackpool Tower so the company has spent £1.3m redeveloping it to give them what they want. It has moved out of bingo, but is enhancing its bowling alleys which are becoming increasingly popular. Fun theme pubs and snooker are two of the more recent activities that First Leisure has moved into. It is a popular business and should be a popular issue.

BOARD MEETINGS

TODAY

Finals: Bunzl, Condor International, Molins, Arthur Wood.

FUTURE DATES

Interims—

Halstead (James)	Apr 3
Prestwich Parker	Apr 17

Finals—

Bank of Scotland	Apr 18
Comfort Hotels International	Apr 17
Exeter Building and Construction	Apr 6
Floyd Oil Participations	Apr 4
Jacks (William)	Apr 9
Miller (Stanley)	Apr 6
Nationwide Leisure	Apr 3
Northern Foods	June 20
Rio Tinto-Zinc	Apr 11
Shiloh	May 2
Taylor Woodrow	Apr 10

L & G adopts flexible investment approach

Legal and General Assurance (Pensions Management), the pensions investment management company within the Legal & General Group, is developing a more flexible approach towards pension investment for its clients.

Its annual report for 1983 highlights the move away from the across the board investment spread of the mixed/property combination towards the individually tailored specialist stock exchange funds.

Under the former approach the pension fund client left the majority of pension investment strategic decisions to L and G. But clients are now wanting to get much more involved in making decisions, such as what proportion to invest in overseas equities, while leaving the stock selection decision to L and G.

Thus during 1983, the money held in the mixed property combined fell by £380m. But this was more than compensated by an extra £210m invested in the specialist funds and £445m in segregated funds.

The ordinary share fund rose by nearly £100m over the year to £355m. The fixed interest fund appreciated by £63m, while the international fund stood at £172m at the year end. The property fund rose from £967m to £991m.

Manson Finance

First half profits of Manson Finance Trust moved ahead from £319,000 to £404,000 despite a reduction in interest and charges receivable of £535,000 to £3,125.

Manson is engaged in banking, property and financial services, and is a 51.6 per cent owned subsidiary of Hong Leong Co (Malaysia). It has close company status; the interim dividend for the six months to December 31 1983 is unchanged at 0.5p net.

Tax took £160,000 (£73,000) and minorities were £8,000 (nil), leaving the attributable profit at £236,000, against £254,000 which included an £8,000 extraordinary credit.

Breedon Hill

A better than expected final dividend of 6p, against an interim forecast of not less than 4.8p, has been declared by Breedon and Cloud Hill Lime Works for the year to the end of January 1984. Pre-tax profits came to a record £1.59m compared with £1.13m.

The total payout amounts to the equivalent of 8.4p after adjusting for a 1-for-4 scrip midway, which compares with an adjusted 6.9p. The comparable final was an adjusted 4.8p.

Earnings per share came to 13.64p (11.87p).

Turnover of this quarry owner came to £4.89m compared with £3.84m.

'W' Ribbons

Interim taxable profits of £16,000, against a £64,000 loss, have been reported by 'W' Ribbons Holdings. For the six months to December 31, 1983.

This holding company for UK and European webbing and flexible bulk container manufacturer had turnover of £7.42m (£7.09m) and a group operating profit of £244,000 (£248,000). Interest took £228,000 (£312,000) but, as last year, no tax was payable. Last year the company made pre-tax profits of £24,000.

Border spells out its support of Marston

WREXHAM - BASED Border Breweries has spelt out its support for a £13m takeover bid from Burton-on-Trent brewers, Marston, Thompson and Evershed.

The offer document, issued on Friday, confirms that Border's directors and certain other shareholders, together holding 37.93 per cent of the equity, have undertaken to accept the Marston offer. Since Marston already holds 14.98 per cent, these pledges would give it control of Border with a 52.91 per cent stake.

Border's document urges other shareholders to accept Marston's offer of two of its own shares and 130p in cash or loan notes for each Border share. Marston shares closed on Friday at 55p, down 1p, valuing each Border share at 240p. Border shares stood unchanged at 237p.

Marston won control after a hotly-contested bid battle in which its main rival, Forshaws Burtonwood Brewery of Warrington, admitted defeat early last month.

The offer document reveals that for the year to February 29, Border made an estimated pre-tax profit of £790,000, reached after charging £95,000 for losses during an industrial dispute, against a £932,000 profit for the previous year.

A new valuation of Border's freehold properties, last valued in 1978, has shown that they are worth £10.57m, against an estimated net book value of £5.284m.

Marston is predicting pre-tax profits of not less than £7.35m for the year to March 31, against £6.56m for the previous year.

In recommending the offer, Border's chairman, Mr A. W. Gaade says that the board had been concerned for some time about the brewery's profit performance in real terms. Border, predominantly an ale brewery with fragmented sites, had had difficulties containing costs in competition with more modern breweries, says Mr Gaade.

Border was already considering rationalisation when the bid approach highlighted its vulnerability, given the over-capacity in the industry. "A strong suitor was considered to be desirable and the board believes that merging Border's strong trading base in the tied and free trade with Marston will create a major presence in the trading areas of both companies," says Mr Gaade.

"The compatibility of management style, the quality of the products and potential economies of rationalisation offer a highly satisfactory combination for the future," he states.

An extraordinary general meeting of Border shareholders is being called for April 24 to vote on the Marston offer.

COMPANY NEWS IN BRIEF

Midland Bank SA, the Paris-listed 85 per cent owned subsidiary of the UK bank, made a consolidated net profit of FFr 59.7m in 1983, equal to £5m. It was struck after a net charge for provisions for bad and doubtful debts of FFr 28.9m, or £2.4m.

The profit represents a 12.8 per cent increase over that achieved by Midland's French interests in 1982 prior to the formation of Midland Bank SA, and a 32.8 per cent advance if compared directly with the former quoted entity, BCT Midland Bank.

At the year end total assets stood at FFr 15.38bn, of which shareholders' funds represented FFr 512.8m. The dividend for 1983 is doubled at FFr 6 net.

* * *

Mr Peter Aldridge, chief executive of Thermalite Holdings told shareholders at the first agm, since the buy-out from John Laing, that the company is well ahead of its targets. He added that new products are currently being developed and Thermalite is re-launching its technical advisory service.

A new factory is scheduled to be built in the south of England in April/June this year and the company is seeking possible acquisitions in similar areas of operation, which could be incorporated into its present marketing structure.

"I am confident that 1984 will prove to be another record year for Thermalite," added Mr Aldridge.

* * *

Higher full year net attributable losses were incurred by BP Australia, a wholly-owned subsidiary of British Petroleum.

However, after an extraordinary credit the loss of A$96.34m, against A$41.31m, was turned into a profit of A$26.18m (£16.9m). Last time there were extraordinary debits of A$7.64m. Turnover for 1983 was down at A$2.29bn (A$2.5bn) and the loss was struck after tax of A$1.67m (credit A$7.85m); depreciation of A$65.69m (A$60.08m); interest of A$88.15m (A$94.81m); minorities of A$2.58m (A$0.7m). Other income totalled A$68.44m (A$46m).

* * *

A second half pick up resulted in Home Counties Newspapers returning higher taxable profits of £291,000, against £238,000, in calendar 1983. In the first six months profits were £31,000 lower at £134,000.

Turnover for the year advanced from £10.9m to £11.57m, and the taxable result was struck after lower interest receivable of £15,000 (£18,000).

The dividend total is held at 5p net with an unchanged final of 3.25p. The company is a 57.2 per cent owned subsidiary of County Newspapers.

BIDS AND DEALS IN BRIEF

Terms have now been agreed for the merger of Petrolex and Viva Petroleum. The basis is 15 Petrolex ordinary shares of 5p for every 10 ordinary £1 shares in Viva, and the latter would finish up with 53 per cent of the enlarged capital of Petrolex. It is considered that the aggregate appraised trading value of the combined companies is not less than £17.3m.

The directors intend, subject to market conditions and the progress of events, to apply for Petrolex to be traded on the USM as soon as practicable.

The proposed merger will combine North Sea licence interests acquired at different times into a broad spread of exploration acreage; and combine exploration with PRT-paying production from the Forties Field, so that the enlarged group can take advantage of the tax incentives for exploration introduced in 1983.

Robert Fleming is advising Viva, and Morgan Grenfell is acting for Petrolex.

Original proposals for the merger allowed for the participation of a third party, Western Isles Petroleum. However, it is not possible for that company to participate at this stage, although discussions are continuing to ascertain whether a satisfactory basis for a subsequent merger with Western Isles can be achieved.

* * *

Acceptances for the recommended cash offers by Ellerman Lines to acquire all the preference shares of J. W. Cameron have been received in respect of £252,623 (99.7 per cent) nominal of the 50 per cent cumulative preference and £298,436 (99.5 per cent) nominal of the 60 per cent cumulative preference. The preference offers are now wholly unconditional.

* * *

Negotiations have been concluded for the merger of the radiator after-market businesses of BTR and IMI. With immediate effect the operations of Serck Services UK, Serck Services International, IMI Marston Radiator Services and IMI Minerva Automotive Parts are combined and will be owned 70 per cent by BTR and 30 per cent by IMI. The companies believe this will provide customers with a better service.

IMI Radiators, which supplies the original equipment market, remains wholly owned by IMI and completely separate from this joint venture.

F.T. Share Information

The following securities have been added to the FT Share Information Service:

Aberfoyle Hldgs (Section: Industrials).

CML Microsystems (Electricals).

Corporate Data Sciences, Inc (Americans).

Great Western Financial Corporation (Americans).

Kent (John) (Drapery and Stores).

Nationwide Building Society 10⅞ per cent Bds 18/2/85 (Loans—Building Societies).

FINANCIAL TIMES STOCK INDICES

	Mar. 30	Mar. 29	Mar. 28	Mar. 27	Mar. 26	Mar. 23	1983/84 High	1983/84 Low	Since Compilatn High	Since Compilatn Low
Government Secs.	83.19	83.25	83.19	83.21	83.19	83.12	83.77	77.00	127.4	49.18
Fixed Interest	86.75	86.72	87.05	86.94	86.82	86.81	87.48	79.03	150.4	50.53
Industrial Ord	877.0	881.8	875.2	875.0	885.6	891.5	901.4	598.4	901.4	49.4
Gold Mines	656.9	651.9	628.8	644.2	653.1	656.0	734.7	444.6	734.7	43.5
FT-Act. All-Share	524.20	524.77	521.14	521.40	527.18	527.33	531.00	382.22	531.00	61.92
FT-SE 100	1112.5	1113.6	1103.6	1101.9	1119.7	1121.5	1130.7	997.5	1130.7	997.5

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
‖ ‖	F.P.	—	150	143	✠Brint Invs. £1	145	...	—	—	—	—
§155	F.P.	27/4	182	166	Burmatex 10p	182	+4	b5.0	1.9	3.9	18.8
§67	F.P.	—	205	155	✠CPS Computer 20p	170		u1.0	2.6	0.8	52.7
25	F.P.	13/4	23½	21½	Cambium Venture 5p	21½		—	—	—	—
100	F.P.	3/5	100	97	C. J. R. Pacific Inv. Tst	99		—	—	—	—
—	F.P.	3/5	39	27	Do. Warrants	39		—	—	—	—
‖ ‖	F.P.	—	120	88	✠Circaprint Hlds. 10p	120	+5	u1.0	7.7	0.8	16.8
120	F.P.	—	160	143	ConnellsEstateAgts5p	145	...	g2.8	2.3	2.8	21.9
§163	F.P.	4/4	177	170	✠Denmans Electrical	170		43.5	3.9	2.9	11.0
‖ ‖	F.P.	—	120	110	✠Dewey Warren 10p	115	+5	—	—	—	14.2
—	F.P.	—	41	41	Eng. & Int'l Tst. War.	41		—	—	—	—
§114	F.P.	19/4	147	132	✠Formdesign 20p	143	−2	bgd5.9	52.4	3.9	12.6
**	F.P.	—	29	25	Hambros Inv. Tst. War.	26		—	—	—	—
*156	F.P.	17/4	105	83	✠Horne (Robert) 20p	100	−1	u2.46	3.5	3.5	12.0
—	F.P.	—	102	78	Do. N/V 'A' 20p	99	−1	u2.46	3.3	3.6	11.9
‖	F.P.	19/3	105	70	✠LPA Inds. 10p	70	...	u2.45	2.5	5.0	11.2
§110	F.P.	3/4	136	129	Morceau Hldgs. 10p	132	..	bg2.7	2.6	2.9	15.0
§60	F.P.	4/4	84	69	✠Morgan Comm. 5p	84		bg1.85	1.7	3.2	27.3
§116	F.P.	23/3	230	160	✠NorbainElectro's 5p	230	...	bd1.0	4.4	0.6	52.0
125	F.P.	—	120	113	✠Nth Sea & Gen. Oil £1	113		—	—	—	—
§52	F.P.	—	80	60	Osprey Communic'tns	75	−1	N1.0	—	1.9	—
215	F.P.	27/4	268	240	Our Price 20p	242	+2	bg3.0	3.7	1.8	18.0
*125	F.P.	13/4	278	140	Petranol 10p	263	−2	—	—	—	—
§120	F.P.	13/4	155	140	✠Platon Intl.	153	......	bg1.84	5.5	1.6	12.7
160	F.P.	13/4	255	225	✠Powerline Int'l. 5p	250	...	bg1.4	3.9	0.8	46.3
**	F.P.	—	680	640	Reed Stenh'se Cls. A:	660	+5	$0.60c	—	7.0	—
**	F.P.	—	670	630	Do. Class C:	660	+5	$0.60c	—	7.0	—
160	F.P.	—	305	247	Robertson Res'rch 10p	257	−7	bg3.0	2.9	1.7	28.4
§25	F.P.	22/3	27½	25	✠Sangers Photo. 10p	27		bg1.25	1.8	6.6	12.2
§78	F.P.	11/5	120	102	✠Scantronic 2½p	120	+5	bg1.6	2.0	1.9	30.0
—	F.P.	—	64½	59	Shires Inv. Warrants	62	..	—	—	—	—
270	F.P.	19/4	500	410	Systems Reliabil'y 10p	478		g3.78	2.9	1.1	39.1
§143	F.P.	27/4	192	175	✠Tod (W. & J.) 5p	175	−3	bg2.5	2.1	2.0	29.1

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or −
97.918	£25	24/7	29½	25	Asian Dev. Bk. 10¼% Ln. 2009	28½	−¼
**	F.P.	—	106½p	98p	Baring Bros. 7½% Cum. Prf. £1	98p	..
97.072	£25	1/7	28⅝	25¼	Brixton Est. 11½pc 1st Mort. Deb. 2023	27⅞	−¼
‖	Nil	5/4	344pm	138pm	ERGO 15½% Uns. Cnv. Db. 1988-91 R12	146pm	+8
99.15	F.P.	22/3	104⅝	98⅞	Elf (U.K.) 12¼% Uns. Ln. '91	102½xd	−¼
§100	F.P.	—	92¼	92½	Eng. & Intnl. Tst. 10⅝% Deb. 2014	92½	..
98.043	£30	—	30⅝	30⅜	Finland 11½% Ln. 2009	30⅝	..
§98.548	F.P.	6/4	100¼	98	Grainger Tst. 11¾% 1st Mort. Deb 2024	100⅛	..
**	F.P.	27/4	115	102¼	Hanson Tst. 9½% Cnv. Un. Ln. 2004 09	114	..
99.714	£30	26/4	35⅝	30	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	34⅝	−¼
§95.711	£25	15/6	27¼	24½	MEPC 10½pc 1st. Mort. Deb. 2024	26⅞	−⅛
*101	F.P.	14/3	101¼	92	Mid-Southern Wtr. 6½% Red. Prf. 1991	92	....
—	F.P.	—	100	99	Nationwide 9⅞% 25/3/85	99⅝	−⅛
97.80	£25	12/7	30½	25½	Province de Quebec 12¼% Ln. 2020	30⅛	−¼
99.44	£25	13/4	30¼	25¼	Queens Moat 12% 1st Mort. Deb. 2013	30¼	+⅛
**	F.P.	27/4	104½	100¾	Scot. Northern Inv. Tst 11½% Rd. Db. 2009	104½	..
98.50	£25	11/5	27⅝	24⅞	TR City of London 11½pc Deb. 2014	27¼	+⅛

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −
400	Nil	—	120pm	80pm	A. B. Electronic	110pm	−10
65	F.P.	26/3	67	57	✠Airship Inds. Units†	60	..
Fl.93	Nil	—	12pm	2pm	Akzo N/V Fl. 20	3pm	..
530	F.P.	21/3	730	658	Applied Computer 10p	660	..
215	Nil	—	117pm	106pm	Bowater £1	110pm	−7
A$7.5	Nil	2/5	266pm	216pm	Broken Hill Prop. A$2	266pm	+16
Ir. 62p	Nil	5/4	4½pm	½pm	Cement Roadstone	½pm	....
—	F.P.	—	285	138	East Dagga Options	213	−5
450	Nil	—	35pm	28pm	Exco Intl	28pm	−1
50	F.P.	12/3	66½	54	✠Greenwich Cable Comm	65	..
130	Nil	9/4	19pm	17pm	Grosvenor Group	17pm	−1
80	F.P.	3/4	84	80½	Hawley Group 12½p	82	+1
275	F.P.	9/3	326	307	Higgs & Hill	316	......
40	Nil	16/4	5pm	1pm	✠Immed. Bus. Systems 10p	3pm	...
137	F.P.	8/3	163	150	McCorquodale	157	−1
535	F.P.	14/3	910	745	✠Micro Focus 10p	910	..
185	F.P.	16/3	211	205	Newmarket 5c	206	−3
16	F.P.	21/3	30pm	27pm	Sheafbank Proderty 10p	30	..
60	Nil	12/4	32pm	16½pm	TSL Thermal Syndicate	24pm	−2½

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital: cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ▉ Allotment letters (or fully-paid). ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. †† Official London Listing. * Offered as units, comprising one ord and one N/V A ord. † Offered as units, comprising one Red. Pfd. share of 1p and 55p of 12 per cent Conv. Ln. stk. 1986-90. ‡ No par value.

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year
*Adwest	Apr 17	Interim 2.1
Akroyd & Smithers	May 9	Interim 4.0
Anglo American Inv Trust	Apr 14	Final 440c
*Ass Brit Ports	Apr 5	Final due
Assoc Paper Inds	May 10	Interim 1.2
*Automotive Products	Apr 20	Final nil
BL	Mar 18	Final nil
BOC	May 12	Interim 2.73
BPCC	Apr 5	Final 5.05
*BSG Intl	Apr 17	Final nil
Bank of Ireland	May 12	Final 10.5
*Bank of Scotland	Apr 18	Final 13.5
Barrow Hepburn	Apr 20	Final 1.4
Bilton (P.)	May 13	Final 6.1
Blackwood Hodge	Apr 15	Final nil
Blue Circle Inds	Apr 28	Final 12.25
British Home Stores	May 9	Final 3.5
*Brixton Estate	Apr 11	Final 2.3
Bryant	Apr 11	Interim 1.0
*Bunzl	Apr 2	Final 4.5
Burmah Oil	Apr 13	Final 7.5
*Coates Bros	Apr 3	Final 2.42
*Coats Patons	Apr 11	Final 2.8
Costain	May 10	Final 7.0
Currys	Apr 18	Final 5.75
Dubilier	Apr 20	Interim 0.9
Dunlop	Apr 21	Final nil
European Ferries	May 5	Final 2.35
*Exco Intl	Mar 26	Final 3.1
*Expamet Intl	Apr 11	Final 2.5
Feb Intl	Apr 18	Final 1.65
Flight Refuelling	Apr 26	Final 1.9
French Kier	May 3	Final 3.6
Gerrard and National	May 4	Final 14.0
*Gill and Duffus	Apr 13	Final 4.8
*Glaxo	Apr 9	Interim 2.75
*GRE	Apr 4	Final 12.5
*Glynwed	Apr 5	Final 4.9
Hall (Matthew)	May 11	Final 4.944
Hambro Life	Apr 19	Final 9.375
*Higgs & Hill	Apr 4	Final 10.0
Hawker Siddeley	Apr 20	Final 6.1
Hepworth (J.)	May 10	Interim 1.59
*Higgs & Hill	Apr 4	Final 5.75
House of Fraser	Apr 28	Final 6.5
*Kwik Save	Apr 13	Interim 2.3
*LWT	Apr 5	Interim 4.494
Laing (J.)	Apr 28	Final 1.875
Laporte	Apr 21	Final 5.25
Laird Group	Apr 9	*Final 2.1*
Lloyds and Scottish	May 12	Interim 1.0
Marks and Spencer	May 4	Final 3.25
Menzies (J.)	Apr 26	Final 3.4
Minet	Apr 20	Final 2.1
*Morgan Crucible	Apr 12	Final 4.0
Mowlem (John)	May 4	Final 8.4
NEI	Apr 12	Final 3.25
*Newarthill	Apr 11	Final 9.0
Pearson (S.)	Apr 28	Final 7.45
*Phoenix Assur.	Apr 4	Final 10.2
*Pritchard Services	Apr 3	Final 2.1
*Queens Moat Houses	Apr 4	Final 0.605
RMC	Apr 18	*Final 6.5*
Reed (Austin)	Apr 14	Final 3.5
*Rio Tinto-Zinc	Apr 11	Final 10.5
Royal Bank of Scotland	May 5	Interim 3.0
Ruberoid	Apr 6	Final 4.0
*Rugby Portland Cement	Apr 9	Final 2.9
Samuel Props	Apr 28	Interim 1.43
*Scottish Metro Prop.	Apr 6	Interim 1.5
Sears	May 10	Final 2.1
*Senior Eng	Apr 10	Final 0.75
Simon Eng	Apr 25	Final 9.25
Smith (W H.)	Apr 20	Final 4.25
*Smiths Inds	Apr 11	Interim 4.0
*Sun Alliance	Apr 4	Final 28.5
Sunlight Service	Apr 29	Final 3.638
*Tarmac	May 1	Final 7.8
*Taylor Woodrow	Apr 10	Final 14.0
Telephone Rentals	Apr 27	Final 3.0
Trafalgar House	May 9	Interim 4.0
UEI	May 6	Final 3.2
Vaux Breweries	May 12	Interim 3.025
Whessoe	May 11	Interim 2.5
*Wilson (Connolly)	Apr 5	Final 2.25
*Wimpey (G.)	Apr 26	Final 2.15
Wolverhampton & Dudley Brews	May 13	Interim 2.3
*Yorks Chems	Apr 6	Final 1.0

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

SHARE STAKES

Garton Engineering—Burton Estate Company and its directors Mr J. M. Peuthere Senior and Mr J. M. Peutherer Jnr have disposed of their total holdings amounting to 205,000 ordinary.

H. Samuel—A. S. Edgar has purchased 35,000 "A" ordinary (non voting) at 134p per share.

Amalgamated Estates — Directors Mr D. B. Pearl and Mr A. Taylor no longer have an interest in 750,000 ordinary. The shares were registered in the name of the Promotions House.

Horace Cory — Mr P. L. Kohnstamm, a director, has acquired 50,000 ordinary shares. He remains interested in 986,827 shares beneficially and 1,679,404 non beneficially.

Brown and Tawse—Following the resignation as a trustee, the interest of Mr M. H. Brow has decreased to below 5 per cent.

Garton Engineering—Raphael Zorn has purchased an additional 25,000 ordinary shares on behalf of its clients acting in concert for the Countess of Westmorland 7,500, Miss C. J. Todd 7,500, Dr O. P. Twentyman 5,000, Miss Jat Johnson 5,000.

Lister and Co—In accordance with certain trusts of which Mrs P. E. Rothman is a trustee a total of 51,883 ordinary have been transfered to the beneficiaries, and she no longer has any interest in those shares.

Mrs Rothman has disposed of 13,000 ordinary and now holds 1,118,846 (6.80 per cent).

Oceonics Group — Monogram Investments has purchased 100,000 ordinary at 226p each.

Nationwide Leisure—Trustees of George Akins (Holdings) executive pension scheme has acquired 1,425,892 (5.4 per cent) ordinary.

Leda Investment Trust—The London and Overseas Insurance Company has purchased a further 150,000 income shares, making total holding 470,000.

Financial Times Monday April 2 1984

Closing prices March 30

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20⅛	10⅛	AAR	.44	2.2	21	34	20	20	20	−⅛
52⅝	30½	ACF	1.40	2.7	638	2506	51	49⅝	51	+1⅛
22	15½	AMCA	n 1	6.0		9	16¾	16¼	16¾	+¼
18⅞	13⅛	AMF	.50	3.6		258	14⅛	13⅝	13⅞	−¼
41½	25¾	AMR Cp			7	1213	34⅝	34⅛	34½	−⅛
20⅛	17⅞	AMR	pf2.18	12.		4	19	18⅞	18⅞	
41⅛	28⅝	AMR	pf2.13	5.9		199	36⅞	36¼	36¼	−⅝
16¾	5⅞	APL			3	15	11⅞	11¼	11¼	
55¼	42½	ARA	2.05	4.7	9	505	43⅞	43	43¾	
77¼	50¼	ASA	3a	4.6		284	65⅛	64⅜	64⅞	−¾
33¼	16¾	AVX	s .32	1.5	21	301	21⅝	20⅞	20⅞	−⅝
53⅜	38¾	AbtLab	1.20	2.9	14	1954	41¾	40½	41⅛	+⅞
30¾	23⅜	AccoWd	.60	2.3	18	36	26⅛	26¼	26¼	−⅛
27½	17⅝	AcmeC	.40	1.9		78	21	20¾	21	+⅛
13	8⅝	AcmeE	.32b	3.2	63	27	10	10	10	−⅛
24⅞	12⅝	AdmDg	.04	.3	8	28	14⅞	14½	14¾	−⅛
18¾	15⅛	AdaEx	2.11e	13.		57	15¾	15⅝	15¾	+⅛
19¼	8⅞	AdmMl	.28	1.5	9	3	18⅞	18⅝	18⅞	+⅛
22	12¾	AdvSys			15	38	17⅝	16⅞	17⅛	−⅝
18⅝	8⅝	Advest	.12	1.2	9	27	10	9¾	9¾	−⅞
37½	15½	AMD	s		35	1732	28⅝	28½	28⅝	−⅝
24⅝	12½	Aeflx	s		14	44	13⅞	13¼	13⅞	
43½	33¼	AetnLf	2.64	7.0	11	1666	38	37¼	37½	−⅞
59⅛	54⅝	AetL	pf5.28e	9.3		16	56½	56½	56½	+⅝
40½	20	Ahmns	1.20	5.1	6	546	23¾	23⅛	23⅝	+¼
7⅛	3	Aileen				40	4⅛	4	4⅛	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

B—B—B

C—C—C

D—D—D

E—E—E

F—F—F

G—G—G

H—H—H

I—I—I

J—J—J

K—K—K

L—L—L

M—M—M

N—N—N

O—O—O

P—Q

Continued on Page 23

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices March 30

Continued on Page 24

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 22

X–Y–Z

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
52¼	39	Xerox	3	7.3	9	1112	42	41	41¼	-¾
53⅝	47⅛	Xerox	pf5.45	12		2	47⅝	47⅛	47⅝	-⅛
37	21⅛	XTRA		2.4	13	110	27⅛	27	27	+⅛
34	24	ZaleCp	1.26	4.9	10	16	26½	26½	26½	
23⅝	14½	Zapata	.84	3.7	12	1793	22⅞	22½	22⅞	
52¼	31⅛	Zayre	s .30	.8	10	34	36½	36½	36½	-¼
38⅝	15½	ZenithR			13	422	29⅝	29⅝	29	
27⅝	19¼	Zero	s .36	1.7	18	44	21⅛	21	21	-⅛
37⅛	22½	Zurmin	1.32	5.3	11	308	24⅝	24½	24½	+¼

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

OVER-THE-COUNTER

Nasdaq national market, closing prices March 30

[illegible]

Continued on Page 25

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 23

[illegible]

CANADA

TORONTO

Closing prices March 30

[illegible]

AUSTRIA

1983/84 High	Low	Mar. 30	Price %
228	206	Creditanstalt Pfd.	219
370	181	Goesser	325
417	359	Interunfall	407
217	201	Laenderbank	211
400	285	Perlmooser	346
179	145	Steyr-Daimler	151
262	171	Veitscher Mag	212

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

1983/4 High	Low	Mar. 30	Price Dm
[illegible]			
1,699	280	Muench Rueck	1,050
289.3	185	Preussag	268
199	163	Rhein West Elect	164
348	237	Rosenthal	240
387	294	Schering	356
417.9	245.2	Siemens	395.8
94.5	66	Thyssen	84.6
194.3	163	Varta	177
185.9	137	Veba	172.4
142.4	116.3	V.E.W.	122.3
335	282	Verein West	305
257	140.8	Volkswagen	207.5

NORWAY

1983/84 High	Low	Mar. 30	Price kroner
167	101.5	Bergens Bank	157
335	83	Borregaard	335
182.5	112.5	Christiania Bk.	160
176	117	Den Norsk Credit	166
167	37.5	Elkem	165
316	105	Norsk Data	282
607	272.5	Norsk Hydro	589
246	127.5	Storebrand	231

NETHERLANDS

1983/84 High	Low	Mar. 30	Price Fls
215	98	ACF Holding	189
146	62.5	AEGON	135.5
236	123	Alhold	204.3
123.2	34.9	AKZO	96.6xr
445	295.0	ABN	394
183	100.0	AMEV	155.8
82	41.9	AMRO	75
222	143.5	Bredero Cert	198
52.3	29.0	Bos Kalis Westm	40.8
75	30.5	Buehrmann-Tet.	68.5
41.5	27.1	Calland Hldgs	37
69	33.0	Credit Lyon'is Bk	54.6
592	190.0	Elsevier-NDU nv.	535
176.3	115.2	Gist.-Brocades	142.5
149	61.0	Heineken	142
60.9	14.2	Hoogovens	48
29.1	11.0	Hunter Douglas	28
44.8	17.7	Int-Mueller	35
232.6	137	KLM	187
50	24	Naarden	41.7
248.3	122.9	Nat Ned Cert	231
40	24.5	Ned Cred Bank	40
198	98	Ned Mid Bank	160.5
130	86.1	Nedlloyd	122.5
265.5	166.5	Oce Grinten	243.5
34.5	18.4	Ommeren (Van)	30
77	40.3	Pakhoed	67.5
55.1	27.7	Philips	49.4
15.2	3.2	Rijn-Schelde	3.8
350	244.0	Robeco	323.5
134.2	123.2	Rodamco	133.4
336.8	226.5	Rolinco	320
226	181.0	Rorento	202.7
165	92.3	Royal Dutch	152.8
278.4	189.0	Unilever	256.5
120	80	VMF Stork	97
169.5	60.2	VNU	148.5
140.5	83.5	West Utr Bank	93.7

BELGIUM/LUXEMBOURG

[illegible]

AUSTRALIA

1983/84 High	Low	Mar. 30	Price Aust. $
[illegible]			
1.96	0.92	Repco	1.15
8.76	4.02	Santos	7.4
4.86	2.85	Smith (H.)	3.7
0.43	0.18	Southland Min'g.	0.43
0.76	0.20	Spargos Expl	0.37
2.50	1.40	Thos Natwide	1.8
5.26	2.40	Tooth	5.24
3.80	1.53	UMAL Cons	3.62
5.80	3.05	Vamgas	3.38
5.11	3.30	Western Mining	4.28
4.02	2.45	Westpac	3.75
1.65	0.65	Woodside Petrol.	1.12
2.8	1.50	Woolworths	2.29
3.40	2.65	Wormald Intl	3

ITALY

1983/84 High	Low	Mar. 30	Price Lire
39,500	25,600	Banca Com'le	35,490
258	124.4	Bastogi IRBS	146.4
2,590	1,040	Centrale	1,880
6,167	3,699	Credito Varesino	5,479
4,470	1,835	Fiat	4,325
77	33.2	Finsider	37.0
39,300	26,031	Generali Assicur	37,550
3,485	1,920	Invest	3,440
49,050	27,600	Italcementi	49,050
248.4	99	Montedison	222.0
5,550	1,901	Olivetti	4,590
3,315	2,315	Pirelli Co.	3,045
1,859	1,173	Pirelli Spa	1,540
1,699	671	Snia BPD	1,648.5
14,600	9,970	Toro Assic.	12,840
11,310	6,950	do. Pref	9,890

SWEDEN

1983/84 High	Low	Mar. 29	Price Kronor
412	280	AGA	380
368	138	Alfa-Laval	206
480	209	ASEA (Free)	390
2,400	520	Astra	555
142	90	Atlas Copco	133
492	256	Boliden	440
715	326	Cardo (Free)	450
192	98.75	Cellulosa	167
291	115	Electrolux B	288
474	323	Ericsson	348
367	161	Esselte	367
489	150	Mo Och Domsjo	482
480	196	Pharmacia	296
396	192	Saab-Scania	396
405	180	Sandvik	395
720	208	Skandia	401
375	212	Skan Enskilda	342
217	114	SKF	217
760	350	St. Kopparbergs	745
244	111	Sven Handelsbn.	207
305	155	Swedish Match	275
529	270	Volvo B (Free)	497

SINGAPORE

1983-84 High	Low	Mar. 30	Price $
3.14	1.66	Boustead Hldgs.	2.7
5.86	4.18	Cold Storage	4.34
15.90	7.6	DBS	10.0
6.95	5.90	Fraser & Neave	6.25
6.05	3.10	Genting	5.3
2.91	2.05	Haw Par. Bros	2.62
3.76	2.41	Inchcape Bhd.	2.85
5.10	3.20	Keppel Shipyard	3.38
10.6	6.15	Malay Banking	10.2
7.20	4.50	Malay Brew	6.6
2.37	1.70	Multi Purpose	1.97
11.8	8.5	OCBC	10.6
5.98	3.66	OUB	4.4
2.87	1.75	Sime Darby	2.56
2.47	1.88	Straits St'mship.	1.64
7.80	5.1	Straits Trdg	6.95
5.90	3.68	UOB	5.45

SWITZERLAND

1983/84 High	Low	Mar. 30	Price Frs.
935	503	Alusuisse	854
4,590	3,775	Bank Leu	3,830
1,580	960	Brown Boveri	1,520
2,475	1,605	Ciba-Geigy	2,250
1,975	1,290	do. (Part Certs)	1,730
2,395	1,915	Credit Suisse	2,210
2,940	2,595	Elektrowatt	2,695
748	501	Fischer (Geo)	690
3,900	3,425	Genevoise	3,600
112,250	72,250	Hoff-RochePtCts	99,750
11,125	6,975	Hoff-Roche 1/10	9,975
6,750	550	Jacobs Suchard	6,650
2,009	1,500	Jelmoli	1,805
1,610	980	Landis & Gyr	1,380
5,125	3,815	Nestle	4,950
1,635	1,160	Oer-Buehrle	1,300
275	243	Pirelli	260
7,650	4,500	Sandoz (Br)	6,775
1,225	661	Sandoz (Pt Cts)	1,025
560	305	Schindler (PtCts)	550
1,095	715	Swissair	1,065
360	300	Swiss Bank	340
8,500	6,700	Swiss Reinsce	7,650
1,580	1,200	Swiss Volksbk.	1,420
3,660	3,140	Union Bank	3,480
3,330	2,670	Winterthur	2,966
19,250	16,300	Zurich Ins.	17,800

SOUTH AFRICA

1983/84 High	Low	Mar. 30	Price Rand
3.25	2.35	Abercom	2.35
10.30	7.00	AE & CI	8.65
31	22	Anglo Am. Coal	29.0
30.50	17.5	Anglo Am Corp	24.0
168.25	110	Anglo Am. Gold	151.5
23.5	14.1	Barclays Bank	22
14.95	11.1	Barlow Rand	14.35
88.5	46	Buffels	78.25
3.50	2.25	CNA Gallo	2.65
5.4	3.00	Currie Finance	5.25
11.7	8.40	De Beers	10.05
49.75	31.0	Driefontein	46.75
70	37.25	FS Geduld	53.25
34.4	20.0	Gold Fields S.A.	28.0
6.55	4.20	Highveld Steel	6.3
17.5	10.2	Nedbank	16.5
29	18	OK Bazaars	19.75
3.80	2.4	Protea Hldgs.	3.30
28.50	18.2	Rembrandt	27
16.6	5.85	Rennies	14.25
15.8	7.5	Rust Plat.	15.3
7.8	3.75	Sage Hldgs	7.8
8.65	5.60	SA Brews	7.65
26.50	18.2	Smith (C.G.)	26.25
13.00	8.2	Tongaat Huletts.	11.8
5.90	3.95	Unisec	5.7

HONG KONG

[illegible]

JAPAN

1983/84 High	Low	Mar. 30	Price Yen
[illegible]			
696	535	Heiwa Real Est.	646
939	750	Hitachi	909
1,970	1,400	Hitachi Credit	1,680
1,140	785	Honda	1,100
999	770	House Food	777
2,350	757	Hoya	2,360
348	275	Itoh (C)	315
2,280	1,000	Ito-Yokado	2,250
2,420	995	Iwatsu	2,040
410	326	JACCS	390
3,450	2,250	JAL	2,940
875	620	Jusco	845
375	286	Kajima	300
805	525	Kao Soap	810
730	580	Kashiyama	695
625	383	Kirin	603
1,180	755	Kokuyo	1,080
610	450	Komatsu	505
738	561	Konishiroku	685
347	295	Kubota	335
497	375	Kumagai	495
11,060	4,100	Kyoto Ceramic	6,750
568	480	Maeda Const.	520
1,650	690	Makino Milling	1,500
1,320	755	Makita	1,090
331	260	Marubeni	272
700	540	Marudai	645
1,460	880	Marui	1,300
2,010	1,120	MEI	1,900
730	515	M'ta Elec Works	755
1,080	498	M'bishi Bank	1,150
589	500	M'bishi Corp	580
467	345	M'bishi Elect.	449
542	440	M'bishi Estate	525
275	200	MHI	256
435	334	Mitsui Co.	358
794	661	Mitsui Estate	750
390	340	Mitsukoshi	358
790	480	NGK Insulators	787
230	171	Nihon Cement	228
1,810	1,140	Nippon Denso	1,690
1,560	890	Nippon Elect.	1,460
326	147	Nippon Express	316
695	600	Nippon Gakki	625
157	129	Nippon Kokan	152
1,260	850	Nippon Oil	1,200
665	386	Nippon Seiko	650
742	556	Nippon Shimpan	644
186	138	Nippon Steel	180
349	263	Nippon Suisan	332
12,330	4,040	NTV	12,500
285	224	Nippon Yusen	253
835	673	Nissan Motor	695
495	332	Nisshin Flour	435
231	137	Nisshin Steel	215
870	609	Nomura	885
1,300	920	Olympus	969
2,370	915	Omron Tateisi	2,350
4,120	1,960	Orient Leasing	3,900
3,850	2,110	Pioneer	2,880
763	590	Renown	666
1,200	639	Ricoh	1,190
805	651	Sankyo	689
599	425	Sanyo Elect.	548
444	236	Sapporo	420
752	540	Sekisui Prefab	550
10,600	4,790	Seven Eleven	8,950
1,470	1,080	Sharp	1,330
578	436	Shimadzu	593
990	620	Shionogi	659
1,180	910	Shiseido	1,060
4,000	3,050	Sony	3,750
834	425	Stanley	764
1,000	476	S'tomo Elect	980
548	211	S'tomo Marine	542
176	144	S'tomo Metal	170
596	440	Taihei Dengyo	492
252	212	Taisei Corp	280
1,080	605	Taisho Pharm	916
917	671	Takeda	696
7,080	4,109	TDK	6,530
448	226	Teijin	448
946	652	Teikoku Oil	698
670	450	Tokyo Marine	665
793	495	TBS	785
1,380	965	Tokyo Elect.Pwr.	1,370
187	117	Tokyo Gas	172
777	415	Tokyo Sanyo	747
990	780	Tokyo Style	792
368	201	Tokyu Corp	324
803	495	Toppan Print	795
460	339	Toray	452
443	277	Toshiba Elect.	435
635	418	TOTO	635
860	465	Toyo Seikan	828
1,600	952	Toyota Motor	1,370
3,400	1,850	Victor	2,930
785	665	Wacoal	757
661	450	Yamaha	538
1,970	1,130	Yamanouchi	1,250
851	513	Yamazaki	770
413	220	Yasuda Fire	365
615	406	Yokogawa Bdge	413

SPAIN

1983/84 High	Low	Mar. 30	Price P'ta
294	209	Bco Bilbao	291
337	255	Bco Central	337
220	193	Bco Exterior	202
248	200	Bco Hispano	232
301	208	Bco Santander	299
389	208	Bco Vizcaya	386
149	105	Dragados	145
67.7	39	Hidrola	52.7
58.2	39	Iberduero	56
115.7	59	Petroleos	112
95	60.2	Telefonica	89

NOTES:—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Sunley wins over £23m

BERNARD SUNLEY AND SONS has secured contracts worth over £18m. Work has started on the Sandcastle Entertainment Centre opposite the Pleasure Beach in Blackpool under a design and build contract between Techno Sunley Leisure and Blackpool Borough Council. This leisure development, valued at £15.75m, incorporates a large leisure pool, a winter garden, piazza, bars and restaurants. Two office refurbishment projects are to be carried out for the Eagle Star Property Co., one in Jermyn Street, SW1, and the other at Parkwood House in Soho Square, W1, at values of £0.5m and £2.2m respectively.

Arab Sunley Construction, an associate of Bernard Sunley and Sons, has won a contract for construction of an Ontronics factory in Cairo, for Arab International Ontronics. The works comprise of production facilities, offices and ancillary building with a total floor area of over 8,000 sq metres, and include all mechanical, electrical and process services. The construction contract is valued at £5.5m.

CONSTRUCTION CONTRACTS

£28m mixed bag for Kyle Stewart

KYLE STEWART has been awarded contracts valued at £28m. They include design and construction of a biological research building, valued at £10m for Glaxo Group Research at Greenford. Other contracts are for a cold store at Brooklands Industrial Park, Weybridge, for occupation by Tempco and Birdseye Walls valued at £3.9m and for another Tesco Superstore, this time at Lunsford Park, Maidstone, valued at around £3.5m. Traditional contracts include an extension to the Farnborough College of Technology valued at £5.6m. Finally, for the Property Services Agency, Crown Courts at Southampton and refurbishment of the existing grade two listed building worth £4.75m.

*

HENRY BOOT CIVIL ENGINEERING is to construct a 4.4 km by-pass to the west of the village of Swineshead on the A17 in Lincolnshire, under a £2.4m contract. The new road will consist of a single 7.3 metre carriageway with five minor road connections, one roundabout and one bridge. Completion is for early October 1985.

*

Contracts together worth nearly £4.5m have been awarded to TARMAC CONSTRUCTION. At Barnsley the company has a £945,000 contract for altering and improving 93 homes at Burton Grange for Barnsley Metropolitan Borough Council. Tarmac Cubitts, part of Tarmac Construction, has two housing projects at Liverpool for Abbey Housing Association—building 44 homes, roads, sewers and site works at Kirkby (£906,000); and refurbishing 24 flats and external works at Huyton (£272,000). Other Tarmac Cubitts contracts include roofing work and general upgrading of 91 homes at Everton, Liverpool, for Liverpool City Council (£840,000); refurbishing and extending premises in Deansgate, Bolton, for Lloyds Bank (£434,000); and repainting and kerb repairs in the Queensway Mersey Tunnel, for Merseyside County Council (£328,000). The company also has a £665,000 management contract for refurbishing premises in Broadway, London, for London Transport Executive.

*

In their first joint bid for pipelaying work two sister companies pulled off a coup worth several million pounds. Fairclough Civil Engineering and Press Construction have landed a £6.5m combined contract to lay 37km of 1200mm diameter trunk main for Yorkshire Water. Duplicating the Yorkshire Derwent aqueduct, the pipeline will run from Brayton Barff reservoir near Selby to Hoober reservoir, Wentworth. The pipeline contract is part of Yorkshire Water's £17.5m scheme to secure water supplies to South Yorkshire into the 21st century. The tunnelling division of Fairclough will cut and prepare the trenches, carry out associated civil engineering work, and reinstate the line on completion. The Darlington-based industrial engineering division of Press Construction is providing the personnel and equipment to lay and construct the bitumen-lined carbon steel pipeline. Site work started in February and the pipeline should be ready for service by November.

*

Contracts worth over £5m have been won during the past two month by WIGGINS CONSTRUCT (EASTERN) part of the Wiggins group. The 11 contracts awarded range from flats and a home for the mentally handicapped to a Dartford tunnel control room extension and a new ambulance station. Work includes 32 flats for old people, warden's house and ancillary works at Rosebay Avenue, Billericay (£723,429); County Hall additions at King Edwards Avenue, Chelmsford (£736,306); 30 grouped flats for old people at Queensway, Southend (£959,000).

*

Contracts with a total value of £2.7m have been won by TILBURY CONSTRUCTION. Largest, worth £564,000, is for construction of a 16m litre reinforced concrete service reservoir at Pinhoe, near Exeter, for the South West Water Authority.

Wimpey to build £20m Daily Telegraph works

Daily Telegraph Developments has placed a management contract worth over £20m with WIMPEY CONSTRUCTION UK for its planned printing and publishing works in London Docklands. The building will occupy a 5.7 ha site at Millwall Dock on the Isle of Dogs. Site preparation has started and the project is scheduled for completion in February 1987 and to cost between £60m and £65m in total. Foundations for the works will be piled with reinforced concrete ground beams and pile caps. The building will have a structural steel frame, composite metal profile cladding and brickwork to dado height. The roof will be of insulated metal deck roofing. Ground floor area will be 18,400 sq metres and total floor area will be 32,000 sq metres.

Other contracts won by Wimpey are worth over £6m.

A two-storey air-traffic control building for RAF Chivenor, is to be built near Barnstaple in Devon. The contract, valued at £1.18m, is placed by the Property Services Agency. It includes a fully glazed visual control room and an attached single storey workshop and operation wing. Completion is scheduled for May 1985.

An operation control centre and regional stores is to be built in Stapleton Road, Bristol, for British Gas Corpn. Valued at £3.69m, the centre will be of steel-framed construction and will be built between the end of April 1984 and Septmeber 1985.

During the year Wimpey will complete design and construction of 20 houses at RAF Cottesmore for the Property Services Agency. The contract is valued at £646,000.

COMPANY NOTICE

NOTICE OF MEETING
TIME ASSURANCE SOCIETY
Registered Office:
45 Queens Road, Oldham
Greater Manchester

ANNUAL GENERAL MEETING of the above Society will be held at the Registered Office, on Wednesday, 18th April 1984 at 12 noon.

AGENDA

1 a) To elect a Chairman.
b) To elect a member for the Committee of Management. (Nominations must be sent in writing to the Registered Office to be received there at least two days before the date of the Meeting.)
2. To receive the Report of the Committee of Management and the Accounts for the year ended December 31st, 1983.
3 To accept the Report and Recommendations contained in the Actuarial Valuation of Funds as at December 31st, 1983.

SKANSKA BANKEN
U.S.$10,000,000 FLOATING RATE CAPITAL NOTES 1988

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the six months interest period from 2nd April 1984 to 2nd October 1984 the Notes will carry an interest rate of 11⅛% per annum and the Coupon amount per U.S.$500,000 will be U.S.$28,434.90.
SCANDINAVIAN BANK LIMITED
Fiscal Agent

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W1. 01-629 6176. TREASURES FROM DULWICH—An exhibition in aid of the Dulwich Picture Gallery Appeal. Adm £1. Until 19 April. Mon.-Fri. 9.30-5.30. Sats. until 7.

BROWSE & DARBY, 19, Cork St., W1. 01-734 7984. JEFFRY CAMP. Recent Paintings.

FIELDBORNE, 63, Queens Grove, NW8. 01-586 3600. Early Graphics HOCKNEY, NOLAN, CERI RICHARDS.

THACKERAY GALLERY, 18, Thackeray St., W8. 937 5883. BRIAN YALE. Paintings and Watercolours. Until 18 April.

BROMPTON GALLERY, 15, Brompton Arcade, Knightsbridge, SW3. 01-581 1078. DAVID BEGBIE—Sculptures in steel, wire mesh and drawings. Until 19 April. Mon.-Fri. 10-6; Sats. 10-5.

CLUBS

RAMON'S NIGHTCLUB RESTAURANT. 42, Dean Street W1. Where today's businessman can relax and enjoy an exciting evening. Various cabaret acts throughout. Charming and discreet dancing partners available. Open nightly 9 pm to 3 am. 01-437 9455.

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 01-734 0557.

PERSONAL

CONTRACTS & TENDERS

Notice of invitation to tender n° 82/S(CEE 2094) issued by the Republic of Zaïre (la Générale des Carrières et des Mines [GECAMINES])

for a project financed by the European Economic Community - European Development Fund.

1. Participation

Participation is open on equal terms to all natural and legal persons of the European Economic Community and the ACP States signatory to the Second Lomé Convention.

2. Subject

Supply, in two lots, of mining equipment:

Lot 1: 2 (two) wheeled loaders - nominal load - 9,5t - capacity of skip (loaded level) 4.5m³

Lot 2: 1 (one) drilling machine - thrust force about 35t

3. Purchase of dossier

The dossier, which is in French, may be obtained from the following:

- LA GENERALE DES CARRIERES ET DES MINES, BP 450 - Lubumbashi, Republic of Zaïre
- LA GENERALE DES CARRIERES ET DES MINES, BP 8714 - Kinshasa, Republic of Zaïre
- LA GENERALE DES CARRIERES ET DES MINES, rue de la Loi, 15 Bte 051, B - 1040 Brussels, Belgium

on payment of 1000Z or 2000BF by cheque made payable to GECAMINES.

4. Any additional information may be obtained from:

Monsieur le Délégué de la Commission des Communautés Européennes, BP 2000, Kinshasa 1 - Republic of Zaïre.

5. Inspection of dossier

a) Commission of the European Communities, Directorate-General for Development, 200 rue de la Loi, B - 1049 Brussels

b) Information Offices of the Commission of the European Communities in:

D - 5300 Bonn, Zitelmannstrasse 22
DK - 1598 Copenhagen V, Industriraadet, HC Andersens Bd. 18
F - 75782 Paris Cedex 16, rue des Belles-Feuilles 61
IR - Dublin, Molesworth Street, 39
I - 00187 Rome, Via Poli 29
NL - The Hague, Lange Voorhout 29
L - Luxembourg, Chambre de Commerce, 7, rue Alcide de Gasperi, BP 1503
UK - London SW1P 3AT, 8 Storey's Gate
GR - Athens 134, 2 Vassilissis Sofias, TK 1602

6. Tenders should be sent to: Monsieur le Président Délégué Général de la GECAMINES, BP 450 - Lubumbashi - Republic of Zaïre to arrive at the latest by 11.00h local time at the latest on 28 May 1984.

The tenders will be opened in public in Lubumbashi on 28 May 1984 at 14.00 local time.

OVER-THE-COUNTER

Nasdaq national market, closing prices March 30

Continued from Page 24

Stock	Div	Sales (Hnds)	High	Low	Last	Chng
Reeves		975	7⅜	6¾	7⅜	+½
RgcyE s	.20	845	7¾	7½	7½	
Pogo	15	14	28¼	27¾	27¾	-¼
Rehab		143	11⅞	11	11½	
Reliab		3	10¾	10¾	10¾	
RpAuto	44	242	9½	9⅛	9⅜	
RpHlth		439	12	11¾	11¾	+⅛
Reuter		78	11⅝	11½	11⅝	+½
Rexon		44	10⅝	10⅝	10½	
Ribilm		267	7¾	7¾	7¾	+⅛
Rival	.80	34	10⅞	10½	10½	
RoadS	2	218	55¼	54	54¼	-¾
Rockcor		208	11⅝	11½	11½	-⅛
Rouse	.92	688	31½	30⅜	31⅛	+⅞
RoyBGp		74	6½	6¼	6¼	-¼
RoylRsc		27	10⅝	10⅛	10⅝	+¼
RyanFa		24	17¼	16¾	16¾	-¼
S—S						
SCI Sy s		753	20½	20	20¼	
SEI		170	17	16¼	16¾	-⅜
SRI s	68	296	18¼	18	18	-¼
Safcrd s		667	9	7⅞	7⅞	-1¼
Safeco	2.60	510	65⅜	64½	64¾	-½
StJude		44	14	13½	14	
StPaul	3	3671	66⅞	65	65½	-1⅛
SalCpt		145	4⅝	4⅜	4⅜	-⅛
SallieM		477	25	24¾	25	+¼
SanBar		27	6½	6¼	6¼	
Satelco		241	2⅝	2⅝	2⅝	+⅛
SavnF	.60a	35	37	36¾	37	+¼
ScanOp		98	9	8⅞	8⅞	-⅛
ScanTr		20	14¼	13¾	14¼	+¼
Scherer	.32	22	13⅝	13	13⅝	
SciSti		16	18¼	18¼	18¼	
SciSySv		65	7⅜	7⅜	7⅜	
Scitex		500	17	16½	17	
SeaGal		146	8⅞	8⅝	8¾	
Seagte s		3130	12	11¼	11⅜	-⅝
SecTag		36	5½	5¼	5¼	-¼
Seibel	.80	265	18⅝	18½	18⅝	+¼
Semicn		52	9¾	9½	9½	
Sensor s	.05	2067	10⅛	9⅝	10¼	
SvMer s	.08	710	14⅝	14⅜	14⅝	+⅛
Svmst s	.96	x48	33¼	32¾	32¾	-½
SecFrct		148	11	10¾	10¾	
ShOak s	16	40	14⅛	13⅞	14⅛	+⅛
ShrMed	40	552	25½	25⅛	25⅜	+⅜
Sheldhl		148	17½	16¾	17½	+1
Shoney	.16	111	24⅛	23½	24⅛	+⅝
ShonSth		1	15	15	15	
SilicnG s		1480	13¼	13	13½	
SiliconS		12	18¼	18	18	-⅜
SiliVal		5	21¼	21	21	-¼
Silicnx s		34	13	12½	12½	-½
Siltec		328	8¾	8¼	8¼	-¼
Simpln	.80	37	15	14¾	14¾	-½
SippOcn		104	12¼	12⅛	12⅛	-⅛
SisCp		73	8	8	8	
Sizzler s		84	11¼	10⅞	10⅞	
Skiper s	.06	20	9¾	9½	9¾	
SloanTc		2	5¼	5¼	5¼	+¼
SmithL		4651	10⅛	9⅞	10⅛	
Society	1.70	35	30	30	30	-¼
Softch s		131	7¾	7⅝	7⅝	
Sovrgn	10	228	7⅝	7⅜	7½	
Sovran	1.50	282	32¾	32½	32½	-⅛
SpcMic		52	3⅛	2⅞	3⅛	+⅛
SpanA		4	5¾	5¾	5¾	
Specd s		52	10½	10	10½	+½
SpecCtl	.05	25	8⅝	8¼	8⅝	+⅛
StatBld	.20	100	8⅞	8⅝	8⅞	+¼
Standyn	1.80	3	46¼	46	46	
StdMic s		245	20	19⅝	19¾	-¼
Standn s		143	8	7¾	7⅞	+⅝
StateGp	15b	150	8⅞	8⅝	8¾	+¼
Steiger		207	9⅜	9	9¼	-⅛
SterlL s		2	4⅝	4⅝	4⅝	-⅛
StewStv		22	14	13¾	14	+⅛
Stratus		195	11	10¾	10¾	+¼
StrawCl	.80b	x2	70¼	70	70	-¼
Stryker		27	27¼	26¾	26¾	+¼
StuartH	.05	10	6	5⅞	5⅞	-¼
Subaru	1.24	405	78½	78	78½	+¼
Summe		603	5¼	5⅛	5¼	
SumtHl	.02e	24	6¾	6⅝	6¾	
SunrSL s		41	25¾	25¼	25⅜	-⅛
SupSky		7	11¼	10½	11¼	+¼
SuprEq		30	7¼	6⅞	6⅞	-¼
Swnin s		223	8	7¾	7¾	-¼
Sykes		161	3¼	3⅛	3¼	+⅛
SymbT		32	8¾	8⅝	8⅝	
Syncor		83	5⅝	5½	5⅝	+⅛
Syntech		49	10	9⅝	10	+⅜
Syntrex		48	8⅜	8¼	8¼	-⅛
Syscon	.24	55	14	13½	14	+¼
SyAsoc		8	17¼	16¾	17¼	-½
SystGn s		45	9	8⅝	8¾	-⅜
Systmt s	.01t	56	15¾	15½	15¾	+¼
SCT Cp		16	24¼	23¾	24¼	+¼
T—T						
TBC		251	10¼	9¾	10¼	+½
TCA Cb	.12	38	12⅝	12	12	
TacViv s		17	8¾	8½	8¾	
Tmpx	3	274	50¼	50	50	-⅜
Tandem		3548	31¼	30½	30⅝	-¼
Tandn s		3561	13½	13¼	13⅜	
TcCom		81	11¼	11	11	-¼
TlcmA s	t	230	16⅝	16½	16½	
TelPlu s		434	8⅞	8½	8¾	+⅛
Telecrd	.28	32	17¾	17½	17½	-¼
Telepict		215	15	14¾	14¾	-⅜
Telvid		179	14⅛	13¾	13¾	-⅜
Telabs s		187	22½	21½	21½	-1
Telxon	.01e	20	8¾	8½	8¾	
TndrLv		51	7¼	6½	7¼	+⅜
TermD s		12	12½	12	12	-¼
Tesdata		25	6	5⅝	5⅞	
TexFd	t	306	32¼	30½	32	+1½
Texon		241	3⅛	3	3	-⅛
Textne	.25e	50	14¼	14	14¼	-¼
Thrmd		13	11	11	11	
ThdNat	1.62	15	36¾	36½	36½	-⅜
Thortec		32	4⅞	4⅝	4⅝	-¼
ThouTr		1532	26¼	24⅞	26⅛	+1
TmeFib		134	9¼	9⅛	9¼	
Tiprary	t	43	5⅝	5½	5½	
Tocom		186	2⅞	2¾	2¾	
TrakAu		74	13	12¼	12¼	-½
TWstEx		11	1½	1½	1½	
TriadSy		163	13	12½	12½	-½
TrusJo	.36	7	26	25½	25½	+⅛
TBkGa s	.80	15	27½	27¼	27¼	-¼
TuckDr		7	8¾	8¾	8¾	
TwnCty		67	4¼	3⅞	4¼	-⅛
U—U						
UTL s		84	14½	14¼	14½	-¼
Ultrsy	.06e	330	17¼	16½	16¾	-¼
Ungrmn		184	12⅞	12½	12¾	
Unifi		71	13½	13	13¼	
Uniof s		1265	4½	3⅞	4¼	+⅜
UnPlntrs	.60	13	22¼	22¼	22¼	-⅜
UACom	.10	93	20¾	20¼	20¼	-½
UBColo	1	24	18	17⅞	18	
UnEdS		26	7¾	6¾	6¾	-1
UFnGrp		63	7¼	7	7	
UFstFd		222	17¾	17½	17½	
UGrdn	.04e	123	9½	9	9½	
UPres s		27	13¼	12⅞	13	
UnSvcL	1	72	25⅝	25⅛	25⅝	+½
US Ant		177	7	6⅞	6⅞	
US Bcp	1	48	22¼	21⅞	21⅞	-¼
US Hr s		322	24⅜	23⅞	24	-⅜
US Sh n	.09e	1	4⅝	4⅝	4⅝	
US Sur		784	15¼	14½	14¾	-¼
US Trck	1.20	8	10¼	10¼	10¼	
UnTelev		109	12⅞	12½	12¾	-⅛
UVaBs s	1.44	13	27⅛	26⅞	27⅛	
UnvHlt s		272	12	11⅝	12	
UnvPat	t	56	12¼	11¼	11¾	
UrgeC s		123	5⅛	4⅞	5	-⅛
V—V						
VLI		82	12½	12	12¼	-¼
VLSI		173	13¾	13¼	13½	-¼
VSE	.12e	4	8¼	7¾	8¼	+½
ValFSL		39	14⅝	14⅜	14⅝	+¼
ValNtl	1.16	146	23½	23¼	23½	
ValLne	.30e	23	33¼	33	33	-¼
VanDus	.40	273	14½	14¼	14½	+¼
VectorG		417	1⅞	1¾	1⅞	
Ventrex		74	10	9½	9½	-⅜
Veta		1691	2	1⅞	2	
ViconF		11	4¾	4⅝	4⅝	-⅛
Vicorp s	.05t	400	18½	18	18¼	+⅛
vjMcTc		1362	1⅛	⅞	⅞	-¼
VictraS		244	7¼	7	7	-⅜
VideoCp		211	13½	12¾	13⅛	+⅜
Viking s		2	12½	12½	12½	
VisTech		784	10½	10	10½	+½
Voltin s		70	20	19½	20	+½
W—W						
WD40 s	.88	8	22½	22	22¼	+¼
WilorTel		141	8¼	7½	7¾	-⅝
WshE	1.60	125	15½	15⅛	15½	+⅛
WFSL s	.70	58	17	16¾	17	
WMSB		41	10⅛	10	10	-⅛
Wavetk		41	10	9½	10	
Webb s	.48	45	14¼	13¾	14¼	+¼
WnDigtl		311	9	8⅝	8¾	
WmorC	.30e	144	20¾	20¼	20¾	
Wettra	.80	62	18¾	18⅛	18¾	+⅛
Wicat		110	3¾	3⅝	3¾	
Widcom		245	12½	11⅞	11⅞	-½
Willmt	1.50	23	33	32½	32½	-⅜
WiAL s		129	9¾	9½	9½	-¼
WmsSn		4	10½	10½	10½	-½
vjWisF		276	10⅞	9⅞	9⅞	-⅝
WlsnH	.20	372	12⅝	12	12¼	
Wndmr s	.07	245	6⅞	6⅝	6⅝	-¼
WnnEn		114	5	4¾	4⅞	
Winner		195	11	10⅝	10⅝	-¼
WiserO	.88	10	21¾	21¾	21¾	
Wornat		15	28¼	28¼	28¼	
WoodD	.60	12	13½	13	13	
WoodL s	1.20	20	45½	45	45¼	
Wrthg s	.56	614	21½	21	21⅛	-¼
Writer	.16e	609	9¼	8½	9¼	+½
Wyman	.80	51	27¼	27¼	27¼	
X—Y—Z						
Xebec s		830	11	10½	11	
Xicor		804	14¼	14	14	-¼
Xidex s		318	16¾	16½	16⅝	+⅛
YlowFt	.92	408	30⅛	29¾	29¾	-⅝
ZenLbB		223	16	15¾	16	+¼
Zentec		14	6	5½	5½	-½
Zondv s	.30	63	14⅝	14⅜	14⅜	-¼

WORLD STOCK MARKETS

Indices

NEW YORK

DOW JONES

	Mar. 30	Mar. 29	Mar. 28	Mar. 27	Mar. 26	1983-84 High	1983-84 Low	Since Compil'n High	Since Compil'n Low
● Industr'ls	1164.89	1170.75	1174.52	1154.51	1152.16	1287.20 (29/11)	1027.04 (3/1/83)	1287.20 (29/11/83)	41.22 (2/7/32)
H'me Bnds	68.71	68.77	68.77	68.86	68.50	77.84 (5/1)	68.41 (26/3/84)	—	—
Transport	510.19	508.57	508.35	499.07	499.58	612.63 (5/1/84)	432.24 (3/1/83)	612.63 (5/1/84)	12.32 (8/7/32)
Utilities	126.83	127.59	128.32	127.46	127.56	140.78 (11/10)	119.51 (3/1/83)	163.32 (20/4/69)	10.5 (28/4/42)
Trading Vol 000's	71,590	81,470	104,870	75,670	68,070	—	—	—	—

● Day's high 1173.66 (1164.41) low 1157.87 (1163.52)

	Mar. 23	Mar. 16	Mar. 9	Year ago (approx)
Industrial div. yield%	4.79	4.67	4.66	4.79

STANDARD AND POORS

	Mar. 30	Mar. 29	Mar. 28	Mar. 27	Mar. 26	1983-84 High	1983-84 Low	Since Compil'n High	Since Compil'n Low
Industr'ls	180.15	180.41	180.90	177.77	175.81	194.84 (10/10)	154.95 (3/1/83)	194.84 (10/10/83)	3.62 (30/6/32)
Comp'ste	159.18	159.52	159.88	157.66	155.67	172.65 (10/10)	138.34 (3/1/83)	172.65 (10/10/83)	4.40 (1/6/32)

	Mar. 29	Mar. 21	Mar. 14	Year ago (approx)
Industrial div. yield %	3.97	4.00	4.03	4.22
Industrial P/E ratio	12.26	12.13	12.00	13.16
Long Gov. Bond yield	12.37	12.37	12.24	10.60

N.Y.S.E. ALL COMMON

Mar. 30	Mar. 29	Mar. 28	Mar. 27	1983-84 High	1983-84 Low
91.67	91.78	91.90	90.55	99.63 (10/10)	80.92 (24/1/83)

Rises and Falls

	Mar. 30	Mar. 29	Mar. 28
Issues Traded	1,964	1,953	1,977
Rises	722	830	1,102
Falls	799	682	467
Unchanged	443	441	408
New Highs	—	30	41
New Lows	—	37	49

MONTREAL

	Mar. 30	Mar. 29	Mar. 28	Mar. 27	1983-84 High	1983-84 Low
Industrial	422.38	424.68	421.45	427.52	468.59 (26/9)	351.18 (4/1/83)
Combined	405.13	406.84	404.85	401.34	441.29 (26/9)	335.12 (4/1/83)
TORONTO Composite	2362.1	2351.8	2378.8	2360.2	2598.3 (26/9)	1949.8 (4/1/83)

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Occidental Pet	1,591,100	32¼	+3¾	Archer-Daniels	1,145,700	19⅝	-⅛
Shell Oil	1,483,500	55⅛	—	Carolina Pwr.	881,000	21⅝	-⅛
Disney	1,403,400	66⅞	+1¾	Chrysler	777,700	25⅝	—
Uncal	1,173,300	38⅜	+⅝	Enster	711,300	19⅝	-⅝
ATT	1,168,000	16⅛	—	Diamond Shm.	694,100	20⅛	+1⅛

	Mar. 30	Mar. 29	Mar. 28	Mar. 27	1983/84 High	1983/84 Low
AUSTRALIA						
All Ord. (1/1/80)	750.5	745.1	739.9	736.2	787.9 (9/1/84)	487.8 (4/1/83)
Metals & Mins. (1/1/80)	538.6	526.6	518.1	516.2	614.2 (5/9)	411.8 (4/1/83)
AUSTRIA						
Credit Aktien (2/1/62)	56.14	55.06	54.96	55.64	58.8 (5/3)	48.48 (15/2/83)
BELGIUM						
Belgian SE (31/12/63)	146.78	146.75	146.40	146.92	148.26 (1/2/84)	100.50 (4/1/83)
DENMARK						
Copenhagen SE (1/1/83)	181.81	180.87	178.55	181.53	225.21 (20/1/84)	100.00 (3/1/83)
FRANCE						
CAC General (31/12/82)	163.7	163.6	162.5	162.5	175.1 (25/1/84)	98.1 (3/1/83)
Ind Tendance (30/12/83)	104.7	104.8	104.6	104.0	114.7 (25/1/84)	99.4 (5/1/84)
GERMANY						
FAZ-Aktien (31/12/58)	349.89	347.49	348.55	348.63	379.84 (2/2/84)	241.53 (25/1/83)
Commerzbank (1/12/53)	1022.3	1020.5	1025.4	1024.2	1096.5 (2/2/84)	727.8 (25/1/83)
HONG KONG						
Hang Seng Bank(31/7/64)	1014.38	1057.09	1118.60	1181.25	1179.55 (13/3/84)	690.06 (4/10)
ITALY						
Banca Comm Ital. (1972)	218.85	219.42	220.02	220.01	225.57 (6/1/84)	160.45 (10/1/83)
JAPAN**						
Nikkei-Dow (16/5/49)	10522.1	10601.6	10700.8	10529.1	10700.8 (28/3/84)	7803.18 (25/1/83)
Tokyo SE New (4/1/68)	805.78	802.98	843.76	829.63	856.78 (30/3/84)	574.51 (25/1/83)
NETHERLANDS						
ANP-CBS General (1970)	161.1	160.5	158.1	157.8	175.9 (1/2/84)	100.1 (4/1/83)
ANP-CBS Indust (1970)	130.1	129.3	127.2	127.1	147.2 (1/2/84)	83.5 (4/1/83)
NORWAY						
Oslo SE (4/1/83)	262.78	262.55	258.82	257.05	262.78 (30/3/84)	98.01 (4/1/83)
SINGAPORE						
Straits Times (1966)	994.44	986.46	988.12	989.51	1071.81 (9/2/84)	712.29 (5/1/83)
SOUTH AFRICA						
Gold (1958)	1011.0	1014.5	991.8	(u)	1099.6 (1/2/84)	681.4 (1/11)
Industrial (1958)	(u)	1079.9	1089.5	(u)	1081.1 (22/3/84)	704.3 (3/1/83)
SPAIN						
Madrid SE (30/12/83)	118.69	119.08	118.86	118.76	120.48 (5/3/84)	100.00 (30/12/83)
SWEDEN						
Jacobson & P. (1/1/58)	(c)	1567.26	1560.10	1548.21	1594.5 (3/3/84)	895.19 (3/1/83)
SWITZERLAND						
SwissBankCpn.(31/12/58)	366.5	368.0	366.4	366.9	388.7 (5/1/84)	294.4 (4/1/83)
WORLD						
Capital Intl. (1/1/70)	—	188.9	187.3	186.1	187.3 (28/3/84)	154.5 (5/1/83)

** Saturday March 24: Japan Nikkei-Dow 10503.1. TSE 824.82.
Base values of all indices are 100 except Australia All Ordinary and Metals—500, NYSE All Common—50; Standard and Poors—10; and Toronto—1,000: the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCES

[illegible]

Insurances—continued

[illegible]

Offshore & Overseas—continued

[illegible]

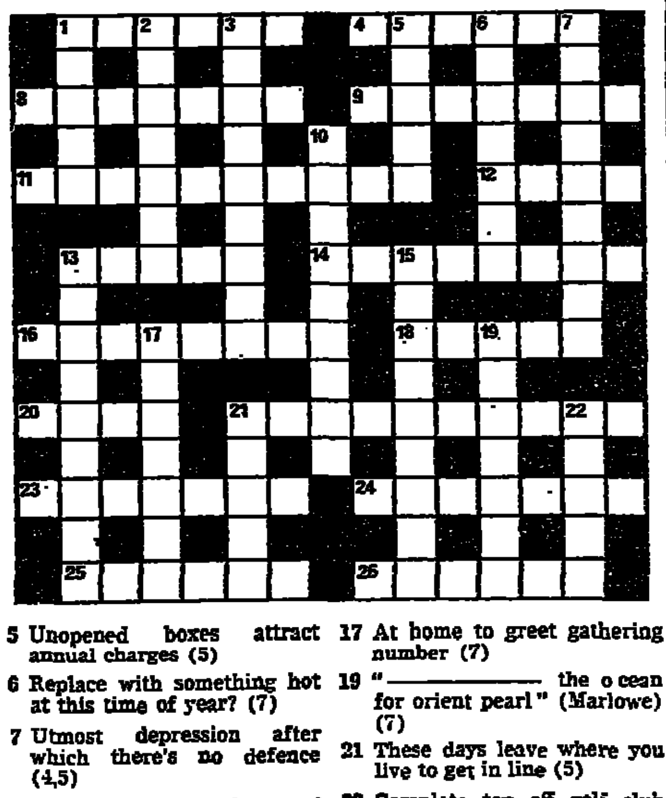
Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

F.T. CROSSWORD PUZZLE No. 5,382



ACROSS

1 Boy has a way of acquiring esteem (6)
4 Cheshire town apprentice makes some yarn (8)
8 Loyal stop (7)
9 Longing to create this art (7)
11 She may turn into a Greek mountain! (10)
12 Television channel team (4)
13 Some dope tried dish in laboratory! (5)
14 Propose French name fashionable with goddess (8)
16 Greek character with money ever one to rebel (8)
18 Boundary on the Isle of Ely (5)
20 Bar the conductor heard (4)
21 Lined him up in order to view flower (10)
23 Pull number back for police operation (7)
24 Dig up a Parisian terminal (7)
25 Flier has mouth disease (6)
26 A mug to live with a king and queen (6)

DOWN

1 It goes round either way (5)
2 Repair to old city on tube line to see epicure (7)
3 Pacify with receipt once £1 is accepted (9)
5 Unopened boxes attract annual charges (5)
6 Replace with something hot at this time of year? (7)
7 Utmost depression after which there's no defence (4,5)
10 Has girl an unusual way of finding Utopia? (7-2)
13 Wealthy ruler gives underworld God credit at last (9)
15 Mother having opportunity to be silent (9)
17 At home to greet gathering number (7)
19 "... the ocean for orient pearl" (Marlowe) (7)
21 These days leave where you live to get in line (5)
22 Complete top off golf club (5)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Ass.—Cont.

Income Accum	137.1	144.4	+0.3	—
Do. Initial	131.2	138.2	-0.2	—
Universal Tec Ac.	93.0	97.9	+0.8	—
Do. Initial	91.7	96.5	+0.3	—
Man. Pens. Accum.	273.3	287.7		—
Do. Initial	222.3	234.1		—
Gilt-Edg. Pens. Accum	224.8	236.7		—
Do. Initial	175.9	135.2		—
Money Pens. Accum	193.6	204.9		—
Do. Initial	154.4	162.6		—

Black Horse Life Ass. Co. Ltd.
71, Lombard St. EC3 01-623 1288

Black Horse Man. Fd		248.57		—
Managed Inv. Fd.	167.90	176.74		—
Property Fd.	153.56	161.65		—
Fixed Interest Fd.	149.17	157.03		—
Cash Fd.	138.42	145.71		—
Income Fd.	195.19	205.47		—
Extra Income Fd.	189.37	199.36		—
Worldwide Growth Fd.	222.77	234.50		—
Balanced Fd.	191.45	201.51		—
Smlr Co's & Recy. Fd	226.65	238.58		—
Int. Technology Fd.	250.17	263.34		—
Nth. Amer. & Gen. Fd.	143.51	151.57		—
Energy Int. Fd.	106.85	112.48		—
Pacific Basin Fund	152.31	160.33		—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	122.2	128.7	+1.2	—
Property	116.3	122.9	+0.9	—
Equity	132.8	139.8	+0.5	—
International	135.3	142.5	+1.9	—
Fixed Interest	107.9	113.6	+0.9	—
Deposit	102.0	107.3	+0.1	—
Managed Pen. Cap.	122.5	128.9	+1.3	—
Property Pens. Cap.	128.4	135.1	+1.1	—
Equity Pens. Cap.	127.9	134.7	+0.3	—
Intnl. Pens. Cap.	140.3	147.9	+2.5	—
Fixed Int. Pens. Cap.	103.0	108.5	+0.8	—
Deposit Pens. Cap.	98.6	103.8		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1		193.6		—
Rtmt. Fed. Mar 6		275.2		—
Managed Pen Fund	190.5	200.5		—
Property Pen Fund	117.8	124.0		—
Index Lnkd Pen Fund	111.0	116.9		—

G.T. Management Ltd.
16 Finsbury Circus, Lond EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	126.7	133.4	+0.2	—
GT Pln High Yld Fnd	136.0	143.2	+0.2	—
GT Plan Far East Fnd	141.7	149.2	+0.3	—
GT Plan N. Am Fd.	123.1	129.6	+0.6	—
GT Pln UK&G.E. Fnd	156.2	164.5	-0.4	—
GT Pln Wrldwde Fnd	149.7	157.6	+1.1	—
GT Pension Bnd Fnd	139.1	146.5	+0.2	—
GT Pen High Yld Fd	158.0	166.4	+0.2	—
GT Pen Far East Fd	178.3	187.7	+0.3	—
GT Pen N. Am. Fd.	171.8	180.9	+1.7	—
GT Pen UK & G.E. Fd	181.5	191.1	-0.5	—
GT Pen Worldwide Fd.	160.8	169.3	+1.2	—

Prices for Accum. Units only

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	170.6	179.6		—

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		269.0	+0.7	—
Portfolio Fd. Inh.		218.1	+0.4	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	286.8	302.2		—
Money Fd.	158.7	167.1		—
Equity Fd.	244.1	257.2		—
Fixed Int. Fd.	121.9	128.5		—
Property Fd.	176.2	185.7		—
Managed Pen. Fd.	282.5	296.7		—
Equity Pension Fd.	183.3	193.1		—
Fixed Int. Pen. Fd.	173.5	182.8		—
High Yield Pen. Fd.	170.8	180.0		—
Money Pension Fd.	132.5	139.4		—
Property Pension Fd.	129.9	136.9		—

Gresham/Framlington

American & Gen. Fd.	227.9	240.1	+1.5	—
Income Fd.	218.6	230.4	+0.5	—
Int'l. Growth Fd.	272.5	287.1	+1.0	—
Capital Fund	226.4	238.6	+0.6	—
Recovery Fund	168.1	177.1	+1.4	—
Japan & Gen Fd.	106.2	111.9	+1.6	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU

OFFSHORE AND OVERSEAS

Perpetual UT Mngrs (Jersey) Ltd
PO Box 459, St Helier Jersey 0534 74517

Offshore Gr.	$1.219	1.296		1.00

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741

Inter-Dollar Fund	$4.02	4.33		—
Far East Fund	$4.06	4.38		—
Intl. Currency Fund	$1.79	1.93		—
Dollar Fxd. Int. Fund	$3.80	4.09		—
Ster. Exempt Gilt Fd.	£2.40	2.59		—

Providence Capitol International Ltd.
PO Box 121, St Peter Port, Guernsey 0481 26726/9

UK Stockmarket	£1.669	1.795		—
Intl. Stockmarket	$1.052	1.132		—
World Technology	$1.363	1.466		—
N. Am. Stockmarket	$0.960	1.034		—
Far East	$1.145	1.232		—
UK Fixed Interest	£1.488	1.601		—
Intl. Fixed Int.	$1.145	1.232		—
Intl. Currency	$1.088	1.170		—
Intl. Money Market	$1.114	1.199		—
U.K. Money Market	£1.066	1.148		—
Stlg. Mangd. Fd.	£1.337	1.439		—
Dollar Mangd. Fd.	$1.110	1.194		—

Savings Target Rate £7.00/$8.50
Prices on March 28. Next dealing April 4
For Quest Fund Man. (Jersey) see Royal Trust Intl. Mngt.

Quilter/Heinold Commodities
31-45, Gresham Street, EC2V 7LH 01 600 4177

Resource Fund	$138.66			2.16

Next dealing date April 2

Rea Brothers (IoM) Ltd
29 Athol St, Douglas, IoM 0624 29696

Bond Fund	£1.22	1.255d		8.04

Wardley

Wardley Nikko As. Fd.	$28.37	30.39		4.94
Wardley Bond Trust	$10.84	11.40		8.16
Wardley Japan Trust	$33.82	35.74		0.39
Wardley Priv Cap Tst	$10.25	10.81		0.74

WestAvon Secs (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey 0481 27963

Gilt & Option Fd.	£1.18	1.23		2.50
US $ Option	$0.84	0.89		—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.86		-0.04	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd. London

Wren Commodity Management Ltd.
10 St George's St., Douglas IoM 0624 25015

Wren Com. Fund	22.2	23.1		—
Chinese Fund	62.2	64.8		—
Precious Metal Fund	141.5	147.1		—
Vanguard Cmdy Fd.	33.6	34.4		—
Financial Futures Fd.	65.6	68.3		—
Wren Intl. Fnd *	$0.703	0.732		—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ø Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ⇌ Only available to charitable bodies. ♦ Yield column shows annualised rate of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Interest Due	Stock	Price £	Last xd	Yield Int.	Yield Red.
22N 22My	Exchequer 14pc. 1984	100⅝	17.10	13.91	9.08
19D 19Jun	Exch. 3pc 1984	98¾	14.11	3.04	8.90
26Mar 26S	Treasury 12pc 1984	101	20.2	11.84	8.99
22Aug 22F	Treas. 15pc 1985	104¾	16.1	14.32	9.24
22S 22Mar	Exch. 12pc Cnv. '85	102	14.2	11.70	9.16
21N 21My	Treasury 3pc 1985	94	17.10	3.19	8.46
15Jan 15Jul	Treasury 11½pc 1985	102½	9.12	11.21	9.30
3Mar 3Se	Treas. 8¼pc Cnv '85	99⅛	26.1	8.83	9.37
22May 22N	Exch. 12¼pc 1985	103	17.10	11.81	9.71
25Aug 25Fb	Exch. 11¾pc '86	103½	19.1	11.35	9.65
11Ap 11Oc	Treas. 10pc Cnv 1986	101½xd	5.3	9.85	9.18
19N 19May	Treasury 3pc 1986	88⅝	13.10	3.39	9.12
19Nv 19My	Exch. 10½pc Cv '86	101	11.10	10.36	9.77
12Dec 12Jun	Treasury 12pc '86	103⅞	7.11	11.55	9.95
10Ja 10Jul	Treasury 8½pc '84-86‡‡	97½	5.12	8.72	9.75
29Ap 29Oc	Exch. 14pc 1986	108¾xd	23.3	12.87	10.02
21May 21N	Exch. 2½pc 1986	85	18.1	2.93	8.91
22Jul 22Jan	Exch. 13¼pc 1987	107⅜	16.12	12.34	10.12
10Fb 10Aug	Treas. 10¼% Cv '87	100½	4.1	10.20	10.00
24Fb 24Ag	Exchequer 2½pc 1987	83⅝	18.1	2.99	8.98
6Oct 6Apr	Exch. 10½pc 1987	100⅞xd	1.3	10.41	10.15
1N 1May	Funding 6½pc '85-87‡‡	91¼xd	26.3	7.12	9.88
12Jun 12Dec	Treas. 10pc 1987	99⅜	1.3	10.06	10.20
14Jan 14Jly	Treasury 3pc 1987	82	8.12	3.63	9.23
3May 3Nov	Treas. 12pc 1987	104⅞xd	27.3	11.44	10.34
26Jul 26Ja	Treasury 7¾pc '85-88‡‡	93¼	26.12	8.31	9.89
10My 10Nv	Exch. 10½pc '88	100	4.10	10.45	10.36
14Jun 14Dec	Treas. 9¾pc Cv '88	98⅛	—	9.91	10.21
1Jan 1Jul	Transport 3pc '78-88	79⅝	25.11	3.77	8.85
25Ap 25Oc	Treas. 9½pc '88	96⅞xd	19.3	9.81	10.38
22Aug 22Fb	Treasury 11½pc 1989	103	16.1	11.06	10.43

Five to Fifteen Years

Interest Due	Stock	Price £	Last xd	Yield Int.	Yield Red.
14Dec 14Jun	Treas. 10½pc 1989	103	7.11	10.52	10.52
1Feb 14Aug	Exch. 10pc 1989	100	—	10.29	10.69
Aug Feb	Do. 10pc 89A (£40pd)	39⅞	—	10.25	10.60
15Ap 15Oct	Treasury 5pc '86-89	81½xd	9.3	6.12	9.31
15Jly 15Ja	Treasury 13pc 1990‡‡	112¼	9.12	11.88	10.74
22Se 22Mar	Exch. 12½pc 1990	108⅛	14.2	11.60	10.71
15D 15Jun	Treasury 8¼pc '87-90‡‡	92¼	8.11	9.14	10.40
25Ap 25Oc	Treas. 10pc Cv 1990	98⅞	—	10.24	10.49
10Jul 10Ja	Treasury 11¾pc 1991	106⅞	5.12	11.28	10.84
5Oct 5Apr	Funding 5¾pc '87-91‡‡	79¾xd	1.3	7.21	9.80
25Ap 25Oc	Exch. 11pc 1991	101xd	19.3	10.82	10.67
22Jly 22Jan	Treasury 12¾pc '92‡‡	112½	16.12	11.59	10.80
21Ag 21Fb	Treasury 10pc 1992	98⅞	16.1	10.23	10.41
25Fb 25Ag	Exch. 12¾pc '92	108⅝	19.1	11.41	10.88
22Mar 22Sp	Exchequer 13½pc '92	114	14.2	11.88	10.98
14Ja 14Jy	Treasury 12½pc '93‡‡	112⅛	8.12	11.42	10.85
15Mar 15Sp	Funding 6pc 1993‡‡	76⅛	7.2	7.91	10.01
23May 23N	Treasury 13¾pc 1993‡‡	121⅝	17.10	11.78	10.89
1Mar 1Sep	Treasury 14½pc '94‡‡	123⅛	24.1	11.90	10.84
27Oct 27Apr	Exchequer 13½pc 1994	114½xd	21.3	11.70	10.94

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

Dividends Paid	Stock	Price £	Last xd	Div Gross	C'vr	Y'ld Gr's
F May Aug N	Abbott Labs.‖	28	10.1	$1.20	—	3.0
F My Ag N	Alcoa $1	29	31.1	$1.20	—	2.9
My Jly S D	Amax $1	18½	7.2	20c	—	0.8
F My Au N	Amdahl	10⅝	17.2	20c	—	1.4
F.M.A.S	Amer. Express $0.60	21⅝	3.1	$1.28	—	4.1
F.My.Au.N.	Amer Medical Int $1	16⅛xd	30.3	48c	—	2.1
May Au No Fb	Amer. Nat. Res. $1	33⅞	12.10	G$2.11	—	6.6
Ap Jy Oc Ja	American T. & T. Co.	10⅞	28.12	$1.20	—	7.8
My Ag N F	Ameritech $1	45½	—	$6.00	—	9.3
Mar Jn S D	Amlac Inc	19½	10.2	$1.44	—	5.2
—	Arlid Tech	184p	—	—	—	—
Fb My Au N	Bank America Corpn.	14	13.2	$1.52	—	7.7
Ap Jly Oc Jan	Bankers N.Y. $10	30¼	29.3	$2.45	—	5.7
My Au N Fb	Bell Atlantic	49xd	27.3	$6.40	—	9.2
Fb My Au N	Bell South $1	63¼xd	27.3	$7.80	—	8.6
Mar Jun S D	♦Beth Steel $8	19⅝	4.11	60c	—	2.2
Ja Ap Jly O	Brown'g Fer. c16⅔	24⅛	14.12	96c	—	2.8
F My Au N	Brunswick Corpn ‖	19	20.1	60c	—	2.2
Jan Ap Jly O	CPC	25⅛	28.12	$2.20	—	6.2
Oc Ja Ap Jy	Campbell Soup	42	5.1	$2.30	—	3.9
F My Au N	CaterpillarB	36½	17.1	$1.50	—	2.9
F My Au N	Chase M'htn.$12.5	34½	10.2	$3.50	—	7.2
Ap Jy Oc Ja	Chemical NY Corp	32¼	12.3	$3.54	—	7.7
Mar Jun S D	Chesebrough $1	23¼	28.11	$1.84	—	5.6
Mar Jun S D	Chrysler $6¼	18	12.3	60c	—	2.4
My Au N F	Citicorp $4	24xd	27.3	$2.06	—	6.1
My Au N F	City Inv $1.25	26¼xd	26.3	$2.00	—	5.4
F My Au N	Colgate-P. $1	16⅛	20.1	$1.28	—	5.6
Mar Jun S D	Colt Inds. $1	33	12.3	$2.20	—	4.7
Oc Ja Ap Jly	Cons. Foods $1⅓	19⅛	27.2	$1.16	—	6.1
F May Au N	Cont. Illinois $5	12¼xd	27.3	$2.00	—	11.5
—	♦Corporate Data Scnce.	200	—	—	—	—
Apr Jly O Ja	Crown Zell. $5	25⅝	12.3	$1.00	—	2.8
—	Damson Oil $0.4	538p	—	—	—	—
Mar Jun S D	Dana Corp. $1	17⅞	17.2	h74.7c	—	2.9
—	Derma-Lock Medical	87p	—	—	—	—
F My Au N	Eaton Crp $0.50	34	1.2	80c	—	1.7
Jan Ap Jly O	Esmark $1	29⅞xd	7.3	$1.04	—	2.5
Mar Jun S D	♦Exxon‖	27	7.11	$3.20	—	8.4
F May Au N	Fin. Corp. America	11⅝	6.3	h34c	—	2.1
Jan Apr Jly O	First Chicago $5	16⅜	29.11	$1.32	—	5.7
Mr Jn Sep Dc	Florida Power & Light	25¾	20.2	$3.60	—	9.9
Jan Apr Jly O	Fluor Corp. $⅝	15½	23.3	80c	—	3.6
Mar Jun S D	Ford Motor $2	25½	26.1	$1.20	—	3.3
Mar Jun S D	GATX $⅝	20xd	7.3	$1.20	—	4.2
April Oct	Gen. Elect. $2.00	38¼	6.3	$2.00	—	3.7
Jn Sep Dc Mr	Gen. Foods Corp $1	33xd	13.2	$2.40	—	5.1
Mar Jun S D	Gillette $1	33	27.1	$2.30	—	4.9
—	♦Gt. Westn. Fin. $1	13⅛	—	$0.52	—	2.8
F May O N	Gulf Corpn‖	53⅞	31.1	$3.00	—	3.9
Mar Jun S D	Honeywell $1.50	38⅞	28.2	h$1.80	—	3.3
Mar Jun S D	Hutton (E.F.) $1	20½	21.11	80c	—	2.8
Mar Jun S D	IBM Corpn $1.25	79⅛	4.11	$3.80	—	3.4
Ja Ap Jy Oc	ITT	28⅝	6.3	$2.76	—	6.0
Mar Jun S D	Ingersoll-R $2	34⅝	10.2	$2.60	—	5.3
Fb Ap Aq Nv	Insilco $1	11⅝	5.1	$1.00	—	6.1
Mar Jun S D	IU International‖	15¾	15.2	$1.15	—	5.1
—	Lockheed Corp'n	23¼	—	—	—	—
May Au N Mar	Lone Star Inds.	18⅞	29.2	$1.90	—	7.1
Mar Jun S D	Louisiana Land $0.15	21	28.11	$1.00	—	3.4
Jan Ap Jly Oc	Lowes $0.50	14	10.1	h34.17c	—	1.7
Jan Ap Jly Oc	Manf. Han. $7.50	24⅛	27.11	$3.04	—	9.2
Feb My Au N	Merrill Lynch $1	18¼	31.1	h80c	—	3.1
—	♦Microcomputer Mems	905p	—	—	—	—
Jan Ap Jly O	Morgan (JP) $2.5	46¾	10.1	$4.00	—	6.0
F May Au N	NYNEX $1	41½xd	27.3	$6.00	—	10.2
Ap Jy Oc Ja	Pacific Gas & Elec $5	894p	12.3	$1.60	—	12.6

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا عن الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australians

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
—		ACM 20c	15½	—	—	—	—
—		Allstate Expl'n. NL	30	—	—	—	—
—		Asia Oil & Minerals	6	—	—	—	—
—		Aust. Hydrocarbon NL	16	—	—	—	—
—		Australis Mng NL	27½	—	—	—	—
—		Balmoral Res.	34	—	—	—	—
—		Black Hill Mins.	38	—	—	—	—
December		Bond Corp	97	—	Q10c	0.7	6.7
Nov.	Apr.	Bougainville 1 Kina	175	11 3	Q16.4c	1.2	6 1
May	Nov	CRA $2	388	11.3	Q12c	ϕ	2.0
—		Carr Boyd 20c	76	—	—	—	—
—		Central Kalgoorlie	50	—	—	—	—
—		Central Pacific	21	—	—	—	—
—		Cons Gld Mg Areas NL	7¼	—	—	—	—
—		Coopers Res NL	7½	—	—	—	—
—		Crusader Oil	202	—	—	—	—
—		Cultus Pac NL	11	—	—	—	—
—		Eagle Corp 10c	10	5 9	—	—	—

[illegible]

Tins

[illegible]

Miscellaneous

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
—		Anglo-Dominion	72	—	—	—	—
—		Anglo Utd. Dev.	59	—	—	—	—
—		Centennial Mintls	350	26 3	—	—	—
—		Colby Res Corp.	160	—	—	—	—
Aug.	Feb.	Cons. Murch. 10c	905	16.3	100c	1.4	6 5
Feb	Aug	Eastern Trns. Cre. 50c	£16½	30 12	Q85c	4.9	2.6
Sept	Feb	Hampton Areas 10p	250	30 12	3.75	2.1	2.0
—		Highwood Res.	200	—	—	—	—
May	Aug	Homestake Mining $1	£24	2.2	Q20c	—	0.6
October		Northgate C$1	360	9 77	—	—	—
Jan.	July	RTZ	693	31.10	t17.0	2.9	3.5
Jan	July	Do 9½pcLn '95-2000	£152	31 10	Q9½%	32.5	16.4
—		Sabina Inds C$1	80	—	—	—	—
—		Tara Expln $1	975	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock"
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under Rule 163(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3)
- # Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B Fr. Belgian Francs. Fr French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1982-83. M Dividend and yield based on propectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

			Fin 13% 97.02	£92¼	+¼
Albany Inv 20p	76	.....	Alliance Gas	70	.....
Craig & Rose £1	900	.....	Arnott	235	.....
Finlay Pkg 5p	48	+2	CPI Hldgs	82	.....
Higsons Brew	110	.....	Carroll Inds.	118	.....
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OPTIONS

3-month call rates

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BAT	15	'Mams'	14	Sterling Guar.	4
Brown (J.)	3	Marks & Spcr.	20	**Oils**	
Burton Ord	22	Midland Bk.	36		
Cadburys	11	NEI	10	Brit. Oil & Min.	9
Comm Union	16p	Nat West Bk	60	Brit Petroleum	35
Courtaulds	11	P & O Dfd	25	Burmah Oil	17
Debenhams	14	Plessey	20	Charterhall	9
Distillers	22	Racal Elect	18	Premier	6
Dunlop	5	RHM	8	Shell	55
FNFC	6¼	Rank Org Ord.	24	Tricentrol	20
Gen Accident	42	Reed Intnl.	40	Ultramar	60
Gen Electric	16	Sears	8		
Glaxo	70	TI	22	**Mines**	
Grand Met	30	Tesco	16		
GUS 'A'	55	Thorn EMI	55	Charter Cons	24
Guardian	50	Trust Houses	18	Cons Gold	58
GKN	20	Turner Newall	10	Lonrho	12
Hanson Tst	17p	Unilever	75	Rio T Zinc	60

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Trade figures hit dollar

BY COLIN MILLHAM

Another very poor set of U.S. trade figures depressed the dollar on the foreign exchanges last week. There was never any expectation of good February figures but at the beginning of the week estimates of the deficit were around $8bn to $9bn and slightly better than the $9.5bn recorded in January. As time went by the market seemed to grow more nervous and pessimistic as the Federal Reserve failed to increase the U.S. discount rate from 8½ per cent, where it has been since mid-December 1982, and as the Federal funds overnight rate fell from over 10 per cent to around 8 per cent in New York on Wednesday.

Estimates of the trade deficit worsened, with figures of $11bn or $12bn mentioned, but the announcement of a record $10.09bn deficit still came as a disappointment, and contrasted sharply with the UK and German trade figures also published last week. The German surplus of DM 4.9bn was towards the top end of most estimates, while the UK was expected to announce a visible deficit and a current account surplus of only £100m. The visible surplus of £569m, and a current account surplus of £819m, were therefore very encouraging, and helped to underpin sterling. The pound remained rather neglected for the most part, but news that transport unions are to give support to the striking National Union of Mineworkers may have contributed to the pound's soft tone at the end of the week.

Attention generally remained focused on the dollar, although once the trade figures were out of the way on Thursday there was no other news to stimulate trading.

Last week's batch of U.S. Treasury auctions did not go particularly well but the rise of 0.7 per cent in leading indicators was above most estimates of around 0.5 per cent and indicated that economic growth remains strong. A fall of $100m in M1 money supply was in line with expectations but there was little indication of the outcome of the Federal Open Market Committee meeting at the beginning of the week, although there was a general belief that the Federal Reserve had tightened its monetary stance to some extent. The prospect of higher U.S. interest rates has long been discounted by the foreign exchanges, however, and overall sentiment surrounding the dollar stayed depressed.

£ in New York

	March 30	Prev. close
Spot	$1.4410-4420	$1.4470-4480
1 month	0.21-0.22 dis	0.20-0.22 dis
3 months	0.65-0.67 dis	0.62-0.64 dis
12 months	3.10-3.15 dis	2.90-2.95 dis

£ forward rates are quoted in U.S. cents discount.

FORWARD RATES AGAINST STERLING

	Spot	1 month	3 month	6 month	12 month
Dollar	1.4425	1.4447	1.4481	1.4564	1.4730
D-Mark	3.7375	3.7279	3.7074	3.6795	3.6324
French Franc	11.5050	11.5476	11.6064	11.8513	12.2244
Swiss Franc	3.1050	3.0918	3.0648	3.0273	2.9602
Japanese Yen	324.0	323.4	322.0	319.9	315.6

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.6313	+1.63	+1.58	±1.5447
Danish Krone	8.14104	8.18346	+0.52	+0.47	±1.6425
German D-Mark	2.24184	2.22828	−0.61	−0.66	±1.0642
French Franc	6.87456	6.86166	−0.19	−0.24	±1.4052
Dutch Guilder	2.52595	2.51228	−0.54	−0.59	±1.4964
Irish Punt	0.72569	0.72806	+0.33	+0.28	±1.6699
Italian Lira	1403.49	1385.62	−1.27	−1.27	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

BANK OF ENGLAND TREASURY BILL TENDER

	March 30	March 23		March 30	March 23
Bills on offer	£100m	£100m	Top Accepted rate of discount	8.3830%	8.3830%
Total of applications	£555.25m	£485m	Average rate of discount	8.3829%	8.3707%
Total allocated	£100m	£100m	Average yield	8.56%	8.55%
Minimum accepted bid	£97.91	£97.910	Amount on offer at next tender	£100m	£100m
Allotment at minimum level	18%	9%			

THE POUND SPOT AND FORWARD

March 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4380-1.4465	1.4420-1.4430	0.19-0.24c dis	−1.79	0.63-0.68dis	−1.82
Canada	1.8380-1.8460	1.8410-1.8420	0.17-0.27c dis	−1.43	0.72-0.82dis	−1.67
Nethlnd.	4.20-4.24½	4.21-4.22	1¼-¾c pm	2.49	3¼-2¾ pm	2.61
Belgium	76.25-76.95	76.50-76.60	18-28c dis	−3.60	60-73 dis	−3.55
Denmark	13.67-13.78	13.71-13.72	⅜-1¾ore dis	−0.76	4⅞-5⅞ dis	−1.38
Ireland	1.2175-1.2275	1.2220-1.2230	0.39-0.48p dis	−4.27	1.24-1.40dis	−4.32
W. Ger.	3.72-3.76	3.73¼-3.74¼	1¼-1pf pm	3.21	3¼-2¾ pm	3.21
Portugal	189.75-191.50	190.25-190.75	170-380c dis	−17.64	515-1170dis	−17.69
Spain	213.75-215.50	214.25-214.45	100-130c dis	−6.44	360-410 dis	−7.18
Italy	2324-2338	2326-2328	13-16lire dis	−7.48	43-47 dis	−7.73
Norway	10.79-10.85	10.81½-10.82½	3½-4¾ore dis	−4.71	11¼-12¾ dis	−4.53
France	11.47-11.56	11.50-11.51	3¾-4¾c dis	−3.43	15-17¼ dis	−5.65
Sweden	11.10-11.16½	11.13-11.14	1¼-1¾ore dis	−1.55	4⅛-5 dis	−1.64
Japan	322½-325	323½-324½	0.71-0.63y pm	2.48	2.12-2.01 pm	2.55
Austria	26.20-26.45	26.27-26.32	6¼-4⅝gro pm	2.51	18¾-13¾ pm	2.47
Switz.	3.09-3.12	3.10-3.11	1¼-1c pm	4.83	4¼-3¾ pm	5.15

Belgian rate is for convertible francs. Financial franc 79.35-79.45. Six-month forward dollar 1.30-1.41c dis. 12-month 3.00-3.10c dis.

THE DOLLAR SPOT AND FORWARD

March 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4380-1.4465	1.4420-1.4430	0.19-0.24c dis	−1.79	0.63-0.68dis	−1.82
Ireland†	1.1770-1.1840	1.1800-1.1810	0.19-0.24c dis	1.78	0.60-0.58 pm	2.07
Canada	1.2755-1.2780	1.2770-1.2775	0.03-0.01c pm	0.23	0.06-0.03 pm	0.14
Nethlnd.	2.9165-2.9310	2.9210-2.9230	1.05-1.00c pm	4.21	3.27-3.22 pm	4.44
Belgium	53.00-53.25	53.05-53.07	7-9c dis	−1.80	20-24 dis	−1.65
Denmark	9.4975-9.5410	9.5075-9.5125	1.75-1.25ore pm	1.89	2.50-2.40 pm	1.12
W. Ger.	2.5860-2.6025	2.5890-2.5900	1.07-1.02pf pm	4.84	3.25-3.20 pm	4.98
Portugal	132.00-132.75	132.00-132.50	100-250c dis	−15.88	300-750dis	−15.88
Spain	148.55-149.25	148.60-148.70	65-85c dis	−6.25	245-265 dis	−6.22
Italy	1607-1626	1613¾-1614¾	8-8½lire dis	−6.25	24½-25½ dis	−6.22
Norway	7.4950-7.5200	7.4950-7.5000	1.60-2.10ore dis	−2.96	4.70-5.20dis	−2.64
France	7.9700-8.0150	7.9750-7.9800	1.45-1.75c dis	−2.41	7.25-7.85dis	−3.78
Sweden	7.7150-7.7400	7.7150-7.7200	.35ore pm-.15 dis	0.15	0.55-0.05 pm	0.16
Japan	223.75-225.00	224.35-224.45	0.82-0.79y pm	4.28	2.47-2.42 pm	4.36
Austria	18.20-18.30	18.22-18.23	6.60-6.10gro pm	4.18	20-18 pm	4.17
Switz.	2.1455-2.1575	2.1495-2.1505	1.26-1.23c pm	6.93	3.73-3.68 pm	6.89

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 55.00-55.05.

OTHER CURRENCIES

Mar. 30	£	$		£ Note Rates
Argentina Peso	46.76-46.85	32.50-32.53	Austria	26.20-26.50
Australia Dollar	1.5405-1.5425	1.0675-1.0685	Belgium	79.15-80.05
Brazil Cruzeiro	1,878.5-1,887.8	1,304-1,311	Denmark	13.65-13.81
Finland Markka	8.0230-8.0450	5.5670-5.5690	France	11.48-11.59
Greek Drachma	148.65-149.05	103.15-103.65	Germany	3.73-3.77
Hong Kong Dollar	11.26¼-11.27¼	7.8100-7.8150	Italy	2315-2345
Iran Rial	1ab.10*	86.70*	Japan	323-328
KuwaitDinar(KD)	0.47205-0.42250	0.2926-0.2928	Netherlands	4.21-4.25
Luxembourg Fr	76.50-76.60	53.05-53.07	Norway	10.78-10.88
Malaysia Dollar	3.3020-3.3070	2.2900-2.2915	Portugal	186-196
New Zealand Dlr.	2.1675-2.1715	1.5030-1.5045	Spain	207½-217¾
Saudi Arab. Riyal	5.0715-5.0780	3.5165-3.5200	Sweden	11.09-11.21
Singapore Dollar	3.0075-3.0125	2.0855-2.0870	Switzerland	3.08-3.11
Sth African Rand	1.7605-1.7650	1.2345-1.2375	United States	1.43-1.46
U.A.E. Dirham	5.3930-5.2985	3.6720-3.6730	Yugoslavia	176-204

CURRENCY MOVEMENTS

Mar. 30	Bank of England Index	Morgan Guaranty Changes %
Sterling	80.1	−11.4
U.S. dollar	125.3	+15.6
Canadian dollar	88.5	−2.5
Austrian schilling	118.1	+4.6
Belgian franc	90.7	−10.9
Danish kroner	79.7	−5.3
Deutsche mark	127.7	+9.2
Swiss franc	149.0	+11.6
Guilder	115.6	+5.4
French franc	67.3	−14.5
Lira	48.6	−12.7
Yen	159.4	+15.2

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

March 30	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.737696	0.597645
U.S. $	8½	1.06430	0.859833
Canadian$	10.78	1.36184	1.09876
Austria Sch.	4½	N/A	15.6747
Belgian Fr.	11	56.4877	45.6313
Danish Kr.	7	10.1528	8.18346
D'mark	4	2.75628	2.22828
Guilder	5	3.10653	2.51226
French Fr.	12	8.49638	6.86166
Lira	16	1722.67	1385.62
Yen	5	239.126	193.007
Norwgn Kr.	8	7.99321	6.45132
Spanish Pta.	—	158.257	127.807
Swedish Kr.	8½	8.21137	6.63705
Swiss Fr.	4	2.29144	1.85053
Greek Dr'chm	20½	109.960	88.6917

* CS/SDR rate for March 29: 1.36436.

EXCHANGE CROSS RATES

Mar. 30	Pound St'rling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.443	3.738	324.0	11.505	3.105	4.218	2327.	1.842	76.55
U.S. Dollar	0.693	1.	2.590	224.4	7.973	2.150	2.922	1614.	1.277	53.05
Deutschemark	0.268	0.386	1.	86.69	3.078	0.831	1.128	622.6	0.493	20.48
Japanese Yen 1,000	3.086	4.458	11.54	1000.	35.51	9.583	13.01	7182.	5.684	236.3
French Franc 10	0.869	1.254	3.249	281.6	10.	2.699	3.664	2023.	1.601	66.54
Swiss Franc	0.322	0.465	1.204	104.3	3.705	1.	1.357	749.4	0.593	24.65
Dutch Guilder	0.237	0.342	0.887	76.87	2.730	0.737	1.	552.1	0.437	18.16
Italian Lira 1,000	0.430	0.620	1.606	139.2	4.944	1.334	1.811	1000.	0.791	32.90
Canadian Dollar	0.543	0.783	2.030	175.9	6.248	1.686	2.289	1264.	1.	41.57
Belgian Franc 100	1.306	1.882	4.882	423.3	15.03	4.056	5.506	3040.	2.406	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Mar. 30	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	8⅛-8⅜	10¼-10⅜	9¾-9⅞	5⅞-6	1⅞-2⅛	5⅜-5½	12⅛-12⅜	15⅛-16⅛	11⅛-12⅛	11⅛-12	6⅛-6⅜	9⅝-9⅞
7 days' notice	8⅛-8⅜	10⅛-10¼	9⅝-9⅞	5⅞-6	3-3⅛	5⅜-5½	12⅝-12⅞	15⅛-17⅛	12-12⅛	11⅛-12	6⅛-6⅜	7⅞-9
Month	8⅝-8⅞	10⅜-10⅝	10-10⅛	5⅞-6	3⅜-3⅝	5⅜-5½	12⅝-13⅛	15⅛-17⅛	12-12¼	11⅝-12	6⅛-6⅜	9⅝-9⅞
Three months	8⅞-9	10⅞-11	10⅛-10⅜	6-6⅛	4⅛-4⅜	5⅞-6	14⅛-14⅜	16⅛-17	12-12⅛	11⅛-12	6⅛-6⅜	10-10⅛
Six months	9⅛-9¼	11⅛-11⅜	10⅝-10⅞	6⅛-6⅜	4⅝-4⅞	6-6⅛	15⅛-15⅜	17-17⅝	12-12⅛	11⅛-12	6⅜-6⅝	10⅜-10⅝
One year	9⅝-9⅞	11⅝-11⅞	11⅛-11⅜	6⅜-6⅝	4⅞-5⅛	6⅛-6⅜	15⅝-16	17⅛-18	12-12⅛	11⅛-12	6⅝-6⅞	11⅛-11⅜

Asian $ (closing rates in Singapore): Short-term 10-10⅛ per cent; seven days 10⅛-10¼ per cent; one month 10⅛-10¼ per cent; three months 10⅝-10¾ per cent; six months 10⅞-11 per cent; one year 11⅝-11¾ per cent. Long-term Eurodollars two years 12-12⅛ per cent; three years 12⅛-12¼ per cent; four years 12¼-12⅜ per cent; five years 12½-13 per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	89.04	89.05	89.01	89.13
Sept	88.64	88.65	88.60	88.71
Dec	88.29	88.32	88.25	88.37
March	88.01	88.01	87.99	88.10
June	87.72	—	—	87.81

Volume 3,273 (5,348)
Previous day's open int 14,464 (14,402)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	91.11	91.12	91.09	91.15
Sept	90.87	90.88	90.85	90.92
Dec	90.46	90.47	90.43	90.52
March	90.50	90.50	90.50	90.52
June	90.27	—	—	90.33

Volume 866 (473)
Previous day's open int 7,629 (7,657)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	108-07	108-13	108-04	108-17
Sept	108-17	108-21	108-17	108-28
Dec	107-30	—	—	108-08
March	107-14	—	—	107-24
June	—	—	—	—

Volume 1,559 (1,875)
Previous day's open int 4,010 (4,717)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 28 to 40 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.4475	1.4488	1.4465	1.4560
Sept	1.4545	—	—	1.4630

Volume 98 (155)
Previous day's open int 2,134 (2,129)

DEUTSCHE MARKS DM125,000 $ per DM

	Close	High	Low	Prev
June	0.3900	0.3902	0.3895	0.3914
Sept	0.3946	—	—	0.3962

Volume 57 (256)
Previous day's open int 492 (606)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.4716	0.4716	0.4706	0.4736
Sept	0.4796	—	—	0.4817

Volume 1 (6)
Previous day's open int 136 (135)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4496	0.4496	0.4495	0.4515
Sept	0.4549	—	—	0.4562

Volume 9 (106)
Previous day's open int 236 (191)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	66-07	66-19	66-06	66-30
Sept	65-21	66-02	65-20	66-12
Dec	65-06	65-17	65-05	65-28
March	64-23	65-02	64-23	65-14
June	64-10	64-21	64-10	65-01
Sept	63-30	64-04	63-30	64-21
Dec	63-20	63-31	63-20	64-11
March	63-11	—	—	64-02

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Close	High	Low	Prev
June	89.97	90.03	89.94	90.05
Sept	89.57	89.67	89.55	89.69
Dec	89.32	89.37	89.31	89.41
March	89.08	89.16	89.08	89.18
June	88.87	88.94	88.86	88.97
Sept	88.69	88.77	88.69	88.78
Dec	88.52	88.57	88.52	88.60

CERT. DEPOSIT (IMM) $1m points of 100%

	Close	High	Low	Prev
June	89.13	89.17	89.12	89.22
Sept	88.66	88.72	88.65	88.76
Dec	88.32	88.37	88.28	88.41
March	88.00	88.01	88.00	89.66

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Close	High	Low	Prev
June	88.72	88.77	88.70	88.80
Sept	88.25	88.32	88.23	88.35
Dec	87.88	87.97	87.88	88.00
March	87.58	87.67	87.58	87.70
June	87.28	87.37	87.28	87.40

STERLING (IMM) Se per £

	Close	High	Low	Prev
June	1.4465	1.4550	1.4420	1.4530
Sept	1.4540	1.4585	1.4470	1.4605
Dec	1.4615	1.4650	1.4600	1.4680
March	1.4680	1.4720	1.4630	1.4756

GNMA (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	68-06	68-17	68-03	68-19
Sept	67-08	67-16	67-06	67-21
Dec	66-13	66-19	66-12	66-26
March	65-28	66-00	65-26	66-04
June	65-05	65-05	65-05	65-18
Sept	64-22	—	—	65-03
Dec	64-09	—	—	64-22

WEEKLY CHANGE IN WORLD INTEREST RATES

LONDON	Mar. 30	change	NEW YORK	Mar. 30	change
Base rates	8½-8¾	Unch'd	Prime rates	11½	+½
7 day Interbank	8½	−⅛	Federal funds	10¼	+⅛
3 mth Interbank	9	+⅛	3 Mth. Treasury Bills	9.70	+0.05
Treasury Bill Tender	8.3829	+0.0122	6 Mth. Treasury Bills	9.83	−0.07
Band 1 Bills	8½	Unch'd	3 Mth. C D	10.60	+0.05
Band 2 Bills	8½	Unch'd	FRANKFURT		
Band 3 Bills	8⅜	Unch'd	Lombard	5.50	Unch'd
3 Mth. Treasury Bills	8¼	+⅛	One Mth. Interbank	5.625	+0.175
1 Mth. Bank Bills	8⅜	Unch'd	Three month	5.775	+0.075
3 Mth. Bank Bills	8¼	Unch'd	PARIS		
TOKYO			Intervention Rate	12	Unch'd
One month Bills	6.34375	−0.0625	One Mth. Interbank	12.4375	Unch'd
Three month Bills	6.28125	Unch'd	Three month	13.625	Unch'd
BRUSSELS			MILAN		
One month	11½	−⅛	One month	17½	Unch'd
Three month	11⅝	−⅛	Three month	17¾	Unch'd
AMSTERDAM			DUBLIN		
One month	5⅞	Unch'd	One month	12¼	−¼
Three month	6⅛		Three month	13⅛	−⅛

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills 34 to 63 days. Rates quoted represent Bank of England buying or selling rates with the money market. In other centres rates are generally deposit rates in the domestic money market and their respective changes during the week. Band 4 bills 8⅜.

MONEY MARKETS

Plagued by large credit shortages

There was little change in short-term interest rates on the London money market last week, while the U.S. Federal funds overnight rate was volatile but finished roughly unchanged. Conditions in New York tightened on Thursday and Friday as expected, because of demand for money at the end of the quarter, but the market had been very liquid on Tuesday and Wednesday, requiring action from the Federal Reserve to mop up surplus funds by matched sales.

UK clearing banks' base lending rate 8½-8¾ per cent (since March 15 and 16)

Intervention by the Fed was insufficient to prevent the overnight rate falling to the very low level of 8 per cent on Wednesday however, leading to suggestions that the authorities might not have tightened credit as much as expected at last week's Federal Open Market Committee meeting.

Although interest rates were fairly steady in London, there were some very large shortages of day-today credit to contend with. On Monday the money market shortage was £600m on Tuesday £400m; on Wednesday £750m; on Thursday £1,050m; and on Friday £1,000m. Monday's help was mainly outright, but also included a repurchase agreement of £144m on bills until April 24. On Tuesday £129m bills were purchased for resale on April 2, while Wednesday's repurchase agreements amounted to £339m, unwinding on April 24. The shortage of £1,050m on Thursday was partly removed by bills totalling £676m to be resold to the market on April 2 and April 3, and Friday's shortage was met in part by £844m in bills to be resold to the market on April 4, 5, and 6.

Such large shortages were obviously not expected when the authorities announced the repurchase agreement on gilt edged stock to offset payment of Petroleum Revenue Tax at the beginning of March. This unwound on Friday, and was a major factor behind the shortage. Money has not flowed into the money markets as anticipated during March, and this led to some speculation that another gilt edged repurchase agreement might be offered this month to offset the shortage being rolled forward.

MONEY RATES

Mar. 30	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	12⅛	1⅛-2⅛	5⅞-6⅛	6.59375	16⅛-17⅛	12.0	12⅛-12⅝
One month	5.55-5.70	12⅛-12⅜	3⅛-3⅜	6-6⅛	6.34375	17-17⅛	11⅛-12	12⅛-12⅝
Two months	5.65-5.80	12⅛-12⅜						12⅝-13
Three months	5.70-5.85	12⅜-12⅞	3⅞-4⅛	6⅛-6⅜	6.28125	17⅛-17⅝	11⅛-12	13⅛-13⅜
Six months	5.80-5.95	13⅛-13⅜		6⅛-6⅜			11⅛-12	13⅛-13⅜
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅛	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Mar. 30 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	5-8⅞	8⅛-8⅝	6-8⅞	4-8⅝	—	—	—	—	—
2 days notice	—	—	8⅜-8⅝	—	—	—	—	—	—	—
7 days or 7 day notice	—	8⅛-8⅝	8⅝-8⅞	8⅞-9	8⅝	—	—	—	—	—
One month	8⅞-8⅝	8⅞-8⅝	8⅞-8⅞	8⅞	8⅜	—	—	8⅜	8⅜	9⅛
Two months	8⅞-8⅝	8⅞-8⅝	8⅞-8⅞	9⅛	8⅝	—	—	8⅜	8⅜	9⅛
Three months	8⅞-9	9-9⅛	9-9⅛	9⅛	8⅞	8⅜	8⅛	8⅞	8⅜	9⅛
Six months	9⅛-9	9⅛-9⅛	9⅛	—	9	—	—	8⅞	—	9⅛
Nine months	9⅝-9⅛	9⅝-9⅝	—	—	—	—	—	—	—	—
One year	9⅝-9¼	9⅝-9⅝	9⅝	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9⅛-9	—	—	9⅛	10.4-10.5	9⅛-9⅝
Two months	9⅛-9	—	—	9⅛	10.5-10.6	9⅝-9⅝
Three months	9⅛-9	—	—	9⅛	10.8-10.9	9⅝-9⅝
Six months	9⅛-9	—	—	9⅛	10.9-11.0	9⅝-9⅝
Nine months	9⅛-9⅛	—	—	9⅛	10.9-11.0	9⅝-9⅝
One year	9⅝-9⅝	—	—	9⅝	11.0-11.1	9⅝-10⅛	10⅜-10⅝
Two years	—	10	—	—	—	—
Three years	—	10⅛	—	—	—	—
Four years	—	10⅛	—	—	—	—
Five years	—	10⅝	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 8 to March 6 1984 (inclusive): 9.373 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 9½ per cent from April 1, 1984. London and Scottish Clearing Bank Rates for lending 8½-8¾ per cent. London Deposit Rate for sums at seven days' notice 5¾-5½ per cent. Treasury Bills: Average tender rates of discount 8.3829 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9 per cent; one-three months 9 per cent; three-six months 9¼ per cent; six-nine months 9⅛ per cent; nine-12 months 9¼ per cent. Under £100,000 8¾ per cent from March 22. Deposits held under Series 4-5 9¾ per cent. The rate for all deposits withdrawn for cash 7 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11½
Broker loan rate	11¾
Fed funds	10⅛
Fed funds at intervention	—

Treasury Bills

One month	9.40
Two month	9.50
Three month	9.70
Six month	9.83
One year	9.93

Treasury Bonds

Two year	99⅛
Three year	97⅞
Four year	99⅞
Five year	99⅞
Seven year	99⅞
10 year	95⅞
30 year	95⅞

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
11.00 a.m. March 30)

3 months U.S. dollars	
bid 10 11/16	offer 10 13/16

6 months U.S. dollars	
bid 10 15/16	offer 11 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

APPOINTMENTS

Chairman for Royds

Mr William Powell (Bill) Bowman has been succeeded Mr Nicholas Royds as chairman of the Royds Advertising Group, a member of the EXTEL GROUP. He is managing director of the Royds Group and on the board of the parent company. Mr Bowman, who joined Royds in January after 20 years at United Biscuits, has also been chairman of five companies within the Royds Group: Royds London, Royds Advertising and Marketing (Birmingham), Royds Wales, Royds South West and Extel Advertising and PR. Mr Keith Wride has been appointed vice-chairman of the Royds Group and chairman of Royds Manchester, of which he is managing director. Each of the following managing directors is now also chairman: Mr Sandy Scott — Woodward Royds, Scotland; Mr Rex McKane —Belfast Progressive Advertising; Mr Finbar Costello—Irish International Advertising and Marketing; Mr Jim Rees—Stowe and Bowden, Manchester (Mr Rees also becomes chairman of Gore Advertising, Isle of Man); and Mr Alan Pegley—Extel Advertising. Mr Michael Daly has been promoted from joint managing director to managing director of Royds London.

★

The Bank of Tokyo has nominated Mr Koretsugu Kodama as general manager, London branch. His predecessor Mr Tasuku Takagaki will remain in London as managing director for Europe, to co-ordinate the Bank of Tokyo group activities in Europe. At the Bank of Tokyo International Mr Kazuo Fujii is promoted to managing director, while his predecessor Mr Kiyoshi Tsugawa returns to Japan as general manager of international investment division, head office, Tokyo.

★

INTASUN LEISURE GROUP has appointed Mr Peter Smith as chief executive of Intasun Travel, with responsibilities for all Intasun's tour operating activities. Mr Sidney Perez becomes a deputy chairman of Intasun Travel and will continue as a group director. Mr Philip Saul, senior partner of Stringer, Saul and Justice, solicitors, joins the group board as a non-executive director.

★

Mr Curt G. Olsson has been elected chairman of SCANDINAVIAN BANK. He was also recently elected chairman of Skandinaviska Enskilda Banken, the Swedish bank which owns 46 per cent of the shares of Scandinavian Bank. Mr Lars-Erik Thunholm has retired from the board after serving as chairman for the past 15 years.

★

The London Discount Market Association has elected Mr R. G. Gibbs as chairman in succession to Mr M. R. Toynbee. Mr N. H. Chamberlen was elected deputy chairman. Mr Gibbs is chairman of Gerrard and National and Mr Chamberlen is chairman of Clive Discount Company.

★

Mr D. W. Rooke has resigned as group managing director of JOHNSON AND BLOY (HOLDINGS) and subsidiary companies and Mr V. A. Lewis assumes that position. Mr Rooke will continue as executive deputy chairman until his formal retirement date in one year's time and afterwards in a non-executive capacity.

★

Mr Anthony G. Chappell has been elected a senior vice-president of IRVING TRUST COMPANY and has been appointed director of worldwide foreign exchange and overseas funding. He was manager of the bank's foreign exchange operation in London where he will continue to reside.

★

Following the retirement of Mr M. B. Forman, TI director of personnel and organisation, on March 31, Mr A. G. Marx, who joined TI in 1980, has been appointed as group personnel director.

★

Mr Peter Pearson Lund and Mr Richard Smith have been appointed to the board of HENDERSON ADMINISTRATION, main operating subsidiary of Henderson Administration Group. Mr Pearson Lund has also been appointed managing director of Henderson Unit Trust Management in succession to Mr Jeremy Edwards who becomes chairman. Mr Tim Walker is to be deputy chairman, Mr Christopher Burrows, deputy managing director and Mr David Gibson, a director of Henderson Unit Trust Management.

★

Mr Donald McLure, a director of the Beecham Group, has been appointed to the board of DRAYTON PREMIER INVESTMENT TRUST, a company managed by Montagu Investment Management.

★

At STANDARD LIFE ASSURANCE, Edinburgh, Mr B. D. Misselbrook, has retired. Mr

Mr Bill Bowman, chairman of Royds Advertising Group

G. D. Gwilt, general manager since 1979, has been elected to the board and becomes the first executive director of Standard Life.

★

Count von Schlieffen and Mr Chris John have resigned as directors of CONTROL SECURITIES due to ill health and other business commitments respectively. Mr Nicholas C. M. Somerville, and Mr Michael R. Smith, have joined the board as directors.

★

Mr Richard L. Painchaud has been appointed director for Europe (based in London) for the MASSACHUSETTS PORT AUTHORITY.

★

Mr Jim Fallon, MK Electric's director—external relations has been elected chairman of the Electrical Installation Industry Liaison Committee (EIILC). Consisting of representatives of the electrical industry, Electricity Council, Electrical Contractors' Association (ECA), ECA of Scotland and trade unions, the EIILC is a forum for maintaining standards in electrical installations.

★

Mr Peter Eggington, a director of The Clare Group, has been elected chairman of the Billiards and Snooker Trade Association and automatically becomes a member of the council of the British Sports and Allied Industries Federation. The new B&STA vice-chairman is Mr Eric Parkes who is responsible for the billiards and snooker division of E. J. Riley (Billiards).

★

Mr Richard H. W. Bullock has been appointed director-general of the Electronic Components Industry Federation (ECIF). Mr William Barrett who was director and chief executive has resigned. Mr Bullock was previously consultant director to the federation, and is a director of Berkeley Seventh Round and Grosvenor Place Amalgamations.

★

MACARTHYS PHARMACEUTICALS has appointed Mr Michael Bridger as its assistant group managing director from July 1. He will then relinquish the managing directorship of Savory and Moore, the group's retail pharmacy business. Mr Robin Jenner is to be made managing director of Savory and Moore.

★

Mr Sandro Veronesi, previously director of manufacturing and development for PIRELLI, has been appointed to the board and been appointed deputy managing director. He will report directly to Mr Massimo Moro, Pirelli's managing director, who is at present in Italy recuperating from a serious operation which, it is expected, will require an extended period of convalescence.

★

SAUNDERS VALVE CO, Cwbran, has appointed Mr Ian Garnish as managing director. He was formerly production director.

★

Mr George Waddington has become marketing director of the software technology centre of SYSTEMS DESIGNERS.

SECTION III

FINANCIAL TIMES SURVEY

Business Travel

Business travellers are being showered with gifts and offers from airlines, hotels and car hire firms anxious to win custom. It all adds to the problems of company travel management

Offers galore for the big spenders

BY ARTHUR SANDLES

NOW, MR Financial Controller, have you wondered why Bill, your top marketing man, always seems to stay at Thistle Hotels, lately? Or why Ms Jones in the U.S. always uses Delta and ends up in a Days Inn? The answer is that they have both become victims of loyalty schemes, the Green Stamps of business travel. While car rental companies have largely dropped the "free gift" system of encouraging regular custom the infection has spread to airlines and hotel groups. Whatever you, the company, are paying for the room or flight, your employee may be creaming off considerable benefits in the form of cameras, coffee makers, free weekends for two or cars and computers, transatlantic flights, even, of course, booze.

Loyalty campaigns are very much the name of the business travel game at the moment. The car rental groups may have abandoned gifts, but they still reward regular custom with heavily discounted rates and promises of cars when no one else has them. Hoteliers proffer pieces of plastic which will not only give cut priced accommodation but also room up-grades and isolation from the rough and tumble of the package tour customers. Airlines will give you free drinks at the airport and hide you away from the rest of the gang with curtains and wider seats.

Just as it was the U.S. that saw the wildest extremes of the car rental giveaway war — one which drove some companies perilously towards the financial brink — it is now that same nation which is presenting us with some remarkable offers for frequent fliers. Every U.S. check-in counter is now emblazoned with encouragements to the individual fliers to join loyalty schemes.

Typically a scheme will offer a first class upgrade to passengers who fly 10,000 miles with an airline or two round trip First Class tickets in return for flying 70,000 miles. 60,000 miles with American Airlines wins a U.S. business traveller two transatlantic tickets.

"We have found our scheme very successful," says Delta, which offers cut-price hotel rooms and car rental in its loyalty scheme and which gives passengers who hit 150,000 miles of travel two business-class, round-trip tickets to Europe and First Class travel within the U.S. "People have signed on in large numbers."

Glyn Genin

Skybed travel by Philippine Airlines is available to first-class passengers between Manila and Europe, the U.S. and Australia

Promotion

In Europe the hotel schemes have been similarly effective but some companies, notably those in car rental, have been nervous about Inland Revenue attention to over-enthusiastic gift-giving to regular travellers. "We really don't see that as a problem," says Thistle, one of the *biggest of the loyalty* scheme operators. "It is just a promotion." Thistle has, however, engineered its bigger prizes—weekends in Venice, for example—as rewards in games of chance rather than straight gifts.

Not every company is happy for its employees to be lured in this way. "Some companies are firm in saying that they will not allow anyone making company purchases to accept gifts, and that includes employees staying in hotels. We respect that, and if a company tells us then we do not mail their employees with the offers."

The full front assault on the actual user of services comes after a period when the main attack on the business travel market from its suppliers was in cost. It is still to some extent true that business travel accounts are won at the corporate financial controllers' desks and lost in the field, but it is the field which is getting the greater attention at the moment.

There is a general feeling in the travel business that margins were trimmed a bit too far in the wake of the recession and that rates for most services will have to be hardened over the coming year. The hotel groups certainly have been edging up the real rates they achieve (as against the published tariffs) helped by the fact that custom has shown signs of reviving, in the UK at least. Car rental too is getting more expensive and the major companies are much less willing than they were two years ago to buy big accounts with massive discounts.

As any frequent traveller in the business sections of airlines today is aware the corporate traveller seems almost to have abandoned the once-popular drive to seek out the lowest priced ticket—on short haul at least.

Marketing

In the U.S. deregulation has produced a plethora of small airlines, often offering apparently surprisingly low rates but which, when one tries to use them, prove to be so popular that you cannot get a seat. In Europe the wall of protectionism thrown up by governments and airlines, each of which blame the other, have proved sufficient to defeat all but the most determined of business travellers.

Generally it seems that the business traveller has decided that there is a price to be paid for convenience even if, as on some European routes, that price is a disproportionately high one. And thus the suppliers have turned their attention to marketing on service.

There is one field where that is not entirely true, however, and that is in travel agency work. In that case the sales pitch to corporations still, in the initial phases at least, tends to be on a "we can do it cheaper" basis. Certainly Thomas Cook has been majoring on this element of its marketing effort.

But even here there are signs of an increasing emphasis on the service aspect of the operation. American Express, for example, is currently launching a major attack on the business travel market in the UK, after a similar one in the U.S., on the basis of a total package of services aimed at giving corporate financial controllers a much closer view of what employees are doing, and what they are spending.

The American Express approach, and those of most of its rivals it should be said, is that even today very few companies have a fully controlled system of business travel management. It is still true that even companies with travel managers, often with huge spending power, give that manager a relatively low company status. Often the role is only created when the managing director's secretary finds the task too great to handle.

It is extremely easy for large sums to go astray, often without any real dishonesty on the part of staff. Cash "floats" can be given to frequent travellers which, multiplied by the number of users, can add up to thousands of pounds which could be earning interest.

Staff can circumvent company travel policy by making bookings at the last moment and thus "finding" that only a first-class air seat and de-luxe hotel accommodation was available.

To quote Mr Alan B. Lee, a partner in Price Waterhouse: "Until recently businesses have assigned a relatively low priority to the management task of controlling travel costs, and yet this cost has been increasing dramatically . . . . relative to *other types of costs . . . . If you* manage your travel spending more efficiently you may find that you are able to make that extra trip or two to a major customer."

It might also pay to take a look in that top salesman's cupboard. You never know what wonderful little gifts he may have been getting recently.

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Editorial production: Arthur Dawson
Editorial design: Philip Hunt

BUSINESS TRAVEL II

Glyn Genin

Frank Olson, president and chief executive of Hertz Corporation: hoping for an excellent season

Car rental companies see happier ride ahead

IN MOST major markets of the world the car rental companies are girding themselves for what promises to be a good year. Some, whose memories perhaps do not go back to the golden age before oil crises, are even talking about a boom. We will draw a cloak over the occasional exceptions to the rule—France, for example, where the imposition of a 33 per cent VAT rate "has ranked car rental with caviare and mink" (Europcar)—and talk simply of a year when American business optimism and the continued relative strength of the dollar means life could be a little happier for the next 12 months.

There is little doubt that the American economy is still the lynch-pin of car rental industry health. Other factors may have their ups and downs but on the international scene it is the purchasing power of the American customer which is crucial.

Happiness for a car rental company is a healthy world economy, which means that both the business and leisure travellers are on the move, and a healthy demand for motor cars. This latter point is important because almost as much as being in the car rental business the companies concerned are in the used car market. If interest rates are falling (thus making the fleet less expensive to keep) and second-hand car prices are firm, a well run car rental organisation can be a very profitable business to be in.

The past few years, with high interest rates, weak second-hand prices and, indeed, an outbreak of discounting of new cars, was singularly bad news. When combined with a wilting world economy which also meant sluggish demand for the vehicles themselves it was near disasterous.

Mood of optimism

Now, however, there is a mood of optimism in the air. "Things look like being very good," says Guy Salmon's Mr Richard Salmon, looking at his fleet of top people's vehicles (including a turbo Daimler, claimed to be the most prestigious rental car in Britain). "It could be an excellent season," says Hertz.

All the car rental companies hope now that they have shed the burden of the fierce price war of the early '80s. It was a battle which developed such an angry edge that Budget was hauled off to the Advertising Standard Authority for, it was claimed, being a bit too cheeky in its "we're cheaper" efforts (the ad. was changed, imperceptably to the outside observer). It was certainly one that led to charges that some companies were buying service.

Now the accent is on service. Swan National, for example, has produced a sales pack which is aimed at each sector of a corporate structure explaining services but which scarcely touches on costs other than pointing out the control advantages of central billing and of doing away with pool cars.

Europcar too, mentions costs but not in a price-competitive sense. "The most cost effective rental services are the ones that fully meet business travellers needs. An efficient, businesslike rental services has to have proper facilities. . . ." It goes on emphasising the facilities for dealing with breakdowns, accidents, "a rental network should be everywhere."

The "everywhere" aspect of the major car rental companies is really aimed at attacking that sector of the market which still stubbornly takes a major slice of the market in Britain as it does in the rest of the world — the small local retailer.

The major groups are working very hard indeed to overcome this competition, but working in a way which sometimes backfires. Local rates have so proliferated these days that finding out just how much it costs to rent a car can be a difficult task. One rental company somewhat shamefacedly admitted that in one (American) city it had more than 130 different rates — it is not as silly as it sounds, simply take half a dozen car classes, allow for the different seasons, add in special rates for Christmas, Easter, Carnival Time, etc., throw in a convention rate or two and then have local one day, three day and weekend rates and you soon creep towards the hefty total.

Arthur Sandles

Hoteliers aim to cosset corporate customers

HE WAS a hotelier with a problem. As general manager of a de luxe London property he had already faced the problems of the changing hotel scene with improved room facilities, new business travel technology and a wider range of restaurant operations. Now his guests were demanding a health club. Within a year or so of now, given that his investors will cough up further cash, some space will be nibbled off one of the catering areas and a tiny sauna and work-out room will be installed. The new, health conscious, breed of travelling executive will doubtless find details of the project in the room folder along with the local jogging route map.

The non-traveller may feel that to be a flippant comment on the hostel industry today. For the hoteliers, however, it is anything but flippant.

Health clubs, jogging tracks and high fibre menus are just the latest moves in a revolution in business hotel practice that has been taking place over the past decade. It is a revolution that has seen rooms enlarged —"even single travellers do not want to sleep in a narrow bed these days," says Holiday Inn—communications improved, club areas developed for regular customers, billing methods simplified and reservations systems made more sophisticated.

Central buying

However, that is to start the story by looking through the wrong end of the telescope. Taking a macro-view which is, I believe, the economic buzzword these days, the industry itself has been forced to reorganise. As corporate attentions have become more sharply focused on the bottom line so there has been a growing trend towards central buying, or at least central accomodation policies.

The inevitable result of this has been for most of the major groups to go for a wider geographical coverage, and for independent hoteliers to group themselves into ever widening marketing consortia. Hotels such as the Connaught in London, the Cipriani in Venice or the Negresco in Nice will scarcely admit that the word "marketing" exists in the rough and tumble publicity seeking sense of the word—but all are members of the Leading Hotels of the World marketing group.

This "one-number" philosophy has hoteliers, grand and modest, seeking like kinds for promotional purposes, and has the major chains eagerly filling what they perceive to be holes. Will Best Western's 3,000-plus chain long be without a Spanish link?

The growth of the chains and the development of hotel facilities and clubs are two prongs of the hoteliers' marketing efforts. The first, with its ancillary weapons of central billings, discounts and itemised accounts, is aimed at companies seeking to keep a tight control on their travel budget. The second is the campaign, discussed elsewhere in this survey, to maintain brand loyalty from the actual consumers.

Hotel expenditure generally is the one major area of travel expense which most companies have considerable difficulty in monitoring. If they were honest most would say that it is out of control. This position is generally rationalised. "we think that employees who have to suffer the disturbance of constant travelling should be given a bit of leeway in their hotel expenses," or dismissed as too difficult. It is certainly true that most hotel bills give little clue in the restaurant charges as to the number of people involved or to the food/alcohol ratio.

What most companies settle for is a basic grading of the level of hotel for a type of employee. It is then a matter of trusting to luck that the three star hotel does not boast a three rosette Michelin restaurant with bills to match.

At the top end of the scale, however, the pleasures of de luxe hotel living are seen as a corporate perk. "The sort of people that companies send here are the sort that those companies want to keep. They give them the best to keep them happy.

In recent years it has led to the considerable upgrading not only of rooms but also, and notably, of hotel catering. Air France owned Meridien, apart from its joggers' breakfast, has done a series of deals with top French chefs to create French restaurants in the most unlikely settings—Rio and an out of town location at Houston Texas were among the first. The result has not only been prestige ("We are French—the one way we have of getting publicity for our hotels is our food") but also profits.

Sealed off

But, of course, the biggest single way in which the hotel industry has adapted to the demands of the business traveller is by the invention of "clubs." The popularisation of club areas by Hyatt and then by many other groups has largely sealed off the top executive frequent traveller from the hoi polloi of the travelling world—and notably the package tourist.

The club floor system, like the club seat methods of airlines, is only a return to what hotels were supposed to have been offering in the first place —before they became so large that a 150-room property is regarded in much of the western world as being uneconomically small.

It was the competition from the new breed of real smaller hotels, which could still offer old-style service, like the much-praised Capital in London or the Tremont in Chicago, which pushed the bigger enterprises into their club systems.

For the moment, however, my London hotelier has other investment problems to worry about. After his sauna and health club he has to consider the proliferation of hotels with built-in bathroom hairdryers (and one I came across the other day, a bathroom, low voltage, television set), customer-available micro-computers and bedside room controls that look like something out of star wars. He has given up worrying about where to put the swimming pool.

A. S.

Agencies hot foot for growth

WHOEVER your travel agent was a year ago there is a good chance that at the moment it is Thomas Cook, or Pickfords, or Hogg Robinson or . . . and all that without you having made a move. The British travel agency scene at the moment is seeing a remarkable amount of consolidation as the major chains strive to become more major. As Thomas Cook nudges its way towards 400 branches (it had only 198 in 1980) and rivals top the 200 mark an increasing number of independent retailers, particularly those with six-30 branches, are being swallowed up.

The retail end of the travel business has clearly decided that big is definitely beautiful and the stampede for growth is on with a vengeance.

It is very easy to be dazzled by growth, and indeed to be literally dazzled by the colourful brochures which the major groups tend to produce these days, but first one should examine why it is that this trend is taking place.

Initially, of course, it is because it is seen as a good investment. The travel agency world is one of good cash flow and better than average profitability when the throughput is high enough. It is also one where new technology has made enormous strides and thus one where the capacity for additional traffic once a basic capital investment has been made is considerable.

Increased scale also means higher purchasing power and greater muscle in getting rooms and seats when they are in great demand.

Distinct areas

There are two distinct areas of demand from business travel agency users. The traveller himself (the word is used in the unisex sense) requires only that what is sought is provided quickly and efficiently. It is also required that problems be ironed out quickly.

This latter point is why companies are now turning to the concept of the panic line—a one-number service which means that when the flight from Dubai is cancelled and your next date in Singapore was with your biggest customer there is someone who will help you out.

That same traveller's employer, however, has different needs—and they generally centre around the problem of keeping tabs on costs and on travel patterns.

It is in this field that the growth of technology can be brought to the assistance of the user company as well as the travel agency. We have certainly reached the stage where a good travel agency ought to be able to provide a break down of expenditure on a regular basis in a highly detailed form. The problem is that surprisingly few companies have any system of dealing with this information even if they were provided with it.

The main selling point still tends to be price, even when price tends to be a secondary consideration when it comes to actual usage. Tell the chairman that the best flight leaves Luton at 1.30 am and his Ford Escort will be waiting at Rome's charter airport and he is likely to blow his corporate top. The come-on tends to be: "We negotiate on your behalf with major airlines, hotel groups and car rental companies in order to provide the best possible travel facilities at the lowest possible prices" (Pickfords) or "With hotel prices and car rental rates, the rate and the services you get depend on who makes the booking. . . ." (American Express).

But the contract stays with the agency that provides what the customer really wants, not what he said he wanted when making the initial approach.

There is no escaping from the fact, however, that the complexity of travel these days, with the huge variations in rates and constant changes in airline schedules, the day when companies could do it themselves with any real degree of efficiency is probably over.

The increased sophistication of the market has led to the development of a whole new breed of travel agency, one which tends to turn its back on conventional holiday travel retailing and stick simply to the business of dealing with the corporate market. The four dozen or so companies which form the Guild of Business Travel Agents in Britain, for example, probably account for more than three quarters of the business travel put through agencies in the UK—certainly international travel.

One has to be deliberately coy about the actual size of membership, however. With corporate take-overs so much in vogue these days they are busily gobbling each other up. The two agencies that are pitching for your business today may well be the partners of tomorrow.

A. S.

Michael Donne on the up-market battle and the growth of chartering

Airlines woo the executive

THROUGHOUT THE world, a major struggle is taking place among the major airlines for the affections—and the hard cash—of the growing band of business travellers.

Anyone reading those quality newspapers and magazines that are likely to be seen by business travellers cannot have failed to notice the vast volume of seductive advertising that the airlines are promoting in this struggle, extolling the merits of the individual carrier's seating, in-flight care and attention, and other attractions, not least the beauty and charm of the young ladies who are on hand to attend to the travellers' whims.

There is an excellent reason for this unprecedented campaign—money. The business traveller is almost invariably a full-fare traveller. Some of them pay first-class rates (indeed, it is the rare private individual who is paying his own first-class rate, most occupiers of that much-coveted forward cabin being subsidised by a business account). But most of them, in fact, pay the rather lower—but still high by economy class standards—fare charged for the business cabin immediately aft of the first-class section.

Thus, from any airline's point of view, the business travellers are much to be desired. While it is still true that the bulk of air travellers (about 60 per cent on average) are economy-class passengers, they are not only paying much lower fares, but also in many cases travelling on special promotional, group or other forms of discount rates, so that the revenue yields from them, while essential to the airlines, are disproportionate to the numbers involved.

The remaining 40 per cent, however, (the figure is a rough estimate, for no-one has yet been able to quantify precisely the numbers of business travellers out of the world's total of 782m scheduled service passengers last year) are fully paying their way, and are therefore much to be welcomed.

Glyn Genin

First class cabin of a British Caledonian DC10 used by the growing band of business travellers

Recognition of their existence, however, is a comparatively recent phenomenon among many of the airlines. There was a time when air travel was divided between first-class and various forms of economy class, with widely varying rates in the latter category but not very much difference in the standards of comfort and service provided.

The result was that many businessmen found themselves travelling at higher rates alongside passengers getting the same standards at much cheaper rates. It is surprising that it took the airlines such a long time to respond to the complaints about this from business travellers and to alter the patterns of service offered.

It can now reasonably be claimed that the airlines have recognised the situation, and are increasingly responsive to the demands of the business traveller, although undeniably there are many airlines where the standards offered still do not justify the prices charged.

This is especially the case on short-to-medium haul routes in Western Europe, where the widespread abolition of first-class cabin configurations under various names (generally Club or Business Class, and Tourist or Economy Class) has resulted in cramped and sometimes almost impossible seating conditions for the lower-fare travellers and only a marginally better standard for those paying the higher fare.

There is clearly emerging a need for some airlines in Western Europe to improve the quality of their business class cabins, not so much in terms of the free drinks and other refreshments served, but in terms of seating configurations, giving more leg-room and elbow-room.

For while the airlines are doing more to woo the business or "executive" traveller with all kinds of prospective benefits and aids—such as special ground lounges, assistance in hiring cars, hotel and conference rooms and temporary secretaries and, in some cases, providing special check-in desks and other privileges—all of these are peripheral to what the business traveller is really paying for, which is more comfortable air travel.

This, in turn, means providing a better quality of seat, with more room to move. This is especially the case on long journeys, where the quality of seating on many airlines in business class still remains below the desirable levels, very often still three-abreast, which is unfortunate for the passenger in the middle and with both a restricted "pitch"—the distance between the seats fore and aft—and limited width.

On short journeys in Western Europe, there is still much that needs to be done to improve the quality of travel for the business executive. British Airways' policy of offering Club Class in a three-abreast seating configuration on either side of the aisle works only when the middle seat in the row can be left empty: when loads require it to be filled, however, the standard of physical comfort is reduced to that of the economy cabin and the only benefit the business traveller gets is the free drink and other refreshment.

Some other airlines follow similar systems—the temptation to fill that middle seat with a fare-paying passenger too often proves too great, with the inevitable lowering of standards of comfort. The point that seems to be lost on many airlines is that all the free drink and food in the world does not compensate for inadequate standards of comfort, on any kind of journey, short or long.

The businessman is no fool: he realises that he is paying for some of the most expensive food in the world in either first-class or business-class. He does not mind too much, if the standards of comfort are commensurate. But to have to eat and drink in conditions that require almost the capabilities of a contortionist tend to make him doubt whether his journey really is worth the money his company is paying, even though those conditions are still better than those endured by the lower-fare travellers at the back of the aircraft.

It is to these criticisms that the airlines are now devoting more attention. One feature of all the most recent advertising has been a concentration upon seating quality. Some airlines have gone quite a long way towards ensuring that their passengers in business class get treatment that, only a few years ago, was enjoyed only by the higher-fare first-class travellers. Trans World Airlines is one such, and as a result is enjoying an unprecedentedly high volume of business class passengers on the North Atlantic.

British Airways' Super Club is also a considerable improvement on the former Club standards, and BA to its credit is planning to improve it even more. BA's own surveys show that business travel represents a large part of its overall market—about 37 per cent in 1982-83, with marked variations according to routes.

For example, business travellers across the North Atlantic accounted for about 37 per cent of all BA North Atlantic traffic, whereas to the Gulf they accounted for 60 per cent, to Japan 45 per cent and Australia 16 per cent, with high business-to-economy ratios on routes in Northern Europe.

British Caledonian's Super Executive cabin is also a considerable improvement on what was available before.

What the airlines are at last beginning to realise is that the business traveller himself is becoming more demanding, more critical and more responsive to what is available in the market.

Allegiances

While on many routes direct competition is limited to two or at best three airlines, many business travellers are aware of their value as customers and are not shy about changing allegiances. The flag airline of any country cannot automatically expect to retain a passenger on nationalistic grounds alone.

In the UK, many businessmen in the Midlands and the North have found that it is quicker for them to fly to nearby Continental airports, such as Copenhagen, Amsterdam, Brussels or even Frankfurt, to join airlines there for longer-haul flights, rather than fly to Heathrow to join British Airways.

As the network of regional air services from UK points to the Continent expands, this changing pattern of business air travel will also develop further, bringing more competition not only to BA itself but also for the British Airports Authority, which is already finding the challenge from Amsterdam's Schiphol in particular a tough one to beat.

All these trends can ultimately only be good for the business traveller. The wider the range of services available to any destination, and the more attention the airlines pay to catering for the business traveller's demands, the better it will be for all. For what is clear is that business travel is going to expand in the remaining years of this decade.

It has held up remarkably well during the economic doldrums of the past three years, and the current upturn in such travel at present is one of the best indications anywhere that the recession is at last fading. The airlines know this well enough, and they are now in a mood to move to capture what could prove to be a bonanza during the rest of the decade.

BANKERS' RATING OF WORLD AIRLINES

1 Swissair
2 Singapore Airlines
3 Lufthansa German Airlines
4 Cathay Pacific Airways
5 Japan Air Lines
6 Air France
7 SAS Scandinavian Airlines
8 British Airways
9 Qantas Airways
10 Pan American World Airways
11 KLM Royal Dutch Airlines
12 Finnair
13 Varig Brazilian Airlines
14 Thai Airways International
15 Trans World Airlines
16 American Airlines
17 Alitalia
18 British Caledonian Airways
19 Malaysian Airlines System
20 Gulf Air

INSTITUTIONAL INVESTOR

Punctuality counts among the bankers

THE MOST significant assessment yet made by an independent group of businessmen of the qualities of different airlines is probably that by Institutional Investor, the U.S. business journal.

In its March issue, the journal reviews the opinions of a group of 175 senior bankers from 34 countries, each banker being either chairman or head of international affairs at a major bank, and travelling first-class. They were asked to determine which airlines were to be rated at all, and what criteria should be taken into account.

According to Institutional Investor's banker panel, nine of the world's best airlines are European, distinguishing themselves from their competitors by a combination of punctuality, convenience of schedules and in-flight service.

Six carriers from the Asia-Pacific region finish in the top 20, including No. 2 (Singapore Airlines). Cathay Pacific (No. 4) and Japan Air Lines (No. 5). U.S. carriers fared less well, with only three in the first 20 and none higher than No. 10.

As the number one airline overall, Swissair, is the top favourite because of its on-time record. Swissair also wins praise for its schedules to Europe and between the Continent and North America. It is also cited for its in-flight service and overall cleanliness.

Number two, Singapore Airlines, has become something of a legend for its in-flight service, and its stewardesses are singled out for special praise. SIA also gets high marks for its airport service, especially when it comes to arranging last minute changes in passengers' schedules.

Number three, Lufthansa, is credited for punctuality, aircraft cleanliness and in-flight service.

Other survey highlights include special praise for the sleeping accommodation on board Japan Air Lines, rated number five overall, while many panellists liked its cleanliness. British Airways is ranked eighth, but this is largely due to the Concorde services across the North Atlantic, much used by bankers and other top executives.

Taxis take to the air to save time

THROUGHOUT the world, businessmen are increasingly taking to the air in small, light transport aircraft either owned by, or chartered on behalf of, their companies.

This concept of "business aviation"—as opposed to "business travel" on the scheduled airlines — has been winning favour for some time, despite the economic recession which severely reduced the volume of direct sales of small, light transport aircraft.

There are now emerging signs of a recovery in such sales, albeit faint, and there is every hope that throughout the rest of this decade, not only will more and more companies take to the air in their own aircraft, but also that an increasing number of executives will become protagonists of this form of aviation.

The reasons for the growth in the use of company-owned aircraft primarily are the greater convenience and time savings involved, by comparison with the scheduled airlines, together with a significant saving in costs. For many companies with large numbers of executives who are required to fly frequently, especially on short-to-medium distances in Western Europe and the UK, the outlays on scheduled air fares can be substantial, even where use is made of "bucket shops" or discount and other cheap fares.

Frequently also the scheduled airlines' timetables are inconvenient for business meetings, especially where executives from different places have to come together. In many cases, also, the location of the nearest airport remains inconvenient, requiring further travelling on the ground by car, often in congested conditions, to reach scattered plants or offices.

A company aircraft could often do the journey faster, land closer, and be always on hand when required. There are many hundreds of small airports around the UK and Western Europe which can be used by smaller transports but which are ignored by the scheduled airlines.

For these reasons, the concept of the company-owned aircraft, or the ad hoc charter of an aircraft from one of the many air taxi companies, has found increasing favour. Direct company ownership of an aircraft is still comparatively small-scale in the UK itself (whereas in the US the company-owned business aviation fleet is now numbered at several thousand aircraft), largely because many companies that could benefit from such a development are either not aware of the benefits accruing, or fearful of the costs.

Winston Churchill, MP, chairman of Gatwick Air Taxis, with the company's Cessna Conquest I. The twin-engined turboprop provides rapid connections between European centres.

Incalculable

These costs undeniably can seem high, covering not only the purchase of the aircraft, and the payments for a professional aircrew, but also maintenance and ground handling. But when weighed against the annual savings in other costs—scheduled air fares, overnight hotel and other bills—and perhaps also the incalculable but nevertheless highly significant savings in wear and tear on executives' health, and the very large savings in time—the cost of a company aircraft can prove comparatively low.

For companies not wishing to invest directly in aircraft of their own, there are various other methods of becoming involved in business aviation. One is the simple, direct ad hoc charter of an aircraft from an air taxi operator either for a day or longer period.

The Air Taxi Operators' Association of the UK comprise close to 50 member-companies specialising in the provision of fixed-wing aircraft and helicopters for a wide variety of tasks, with the transport of business executives virtually anywhere at short notice a major feature of their activities.

These member-companies of the ATOA all operate to a strict code of conduct and the highest standards of safety as laid down by the Civil Aviation Authority. They are also prepared to arrange contract-hire for lengthy periods, or arrange complex itineraries, to meet the specific requirements of a business or industrial organisation.

The costs involved in buying and flying one's own aircraft, or of hiring, are widely varied, depending upon the distances to be flown, the type of aircraft involved and the number of executives involved and, the frequencies of flights required.

Quotations are obtainable from all the companies in the ATOA, while for companies anxious to study in greater detail the possibilities of buying, the manufacturers of aircraft and their authorised dealers are willing to help.

The ATOA is based at Clembro House, Weydown Road, Haslemere, Surrey.

Allan Beaver looks at the ways that larger companies can get a firm grip on travel expenses

Where a company can save money

TRAVEL AGENTS and their company customers have become obsessed with discounts in recent years. The Guild of Business Travel Agents (GBTA) formed a committee to discuss this problem last year, but it has yet to make its report. The rivalry between the major travel groups has become so intense that any solution is virtually impossible.

The flames of the discounting fire have been fanned during the '80s by incentive commissions paid by the airlines for bulk business. Too late, they realise that much of this business has merely moved around and little new traffic has been created.

To reach ever-increasing targets so as to earn the magic extra commission, the big companies are forced to get bigger and the tendency has been to tempt business their way with the aid of discounts.

Discounts on monthly travel bills or at the end of the year may be at the level of five per cent but this is unlikely to go on for ever, for this is probably more than the net profit the travel agent can make.

It is now over a year ago that British Airways was rumoured to have recommended to the GBTA that discounts should be no higher than 2½ per cent, and even then, only offered to accounts above £250,000 per annum. The airlines, if they choose, have the power to enforce a plan of this nature, since they are exempted from the general laws of price maintenance.

Organisations like the guild, however, cannot agree or enforce a maximum level of discount, because that would probably be a restrictive practice, and therefore illegal.

There are, however, ways in which corporate travel expenditure can be curtailed. Concentration on these will usually save a company far more than by pressing for an extra half a percentage point discount.

Computer Communications DPAS ticketing accounting systems. In the foreground is a printer loaded with continuous netutral ticket. Behind are several printers producing itineraries and *invoices. Behind* that is another ticket printer and Digital PDP 11 computers.

Keeping air fares down

AIR SEATS are just like sacks of potatoes. Offer to buy a large quantity and the price comes down. But there, unfortunately for most of us, the metaphor ends for you can go direct to a producing farmer to buy these potatoes.

Air seats are not usually sold at cut rates other than through at least one and sometimes several middlemen so that it pays to go to one of the big companies.

They all have central air fares departments through whom business travellers can get lower prices than are available direct from the airline or through any independent travel agent. Sometimes the travel agency group will have negotiated to supply air tickets at the APEX fare, but without the business traveller having to suffer the normal restrictions on this type of trip.

Information concerning many of the cheaper air fares is usually disseminated to the branches of the multiple travel groups by means of a Prestel Closed User Group or through access to the main computer on a private Viewdata basis, for example Lunn Poly's BORIS system. The Thomas Cook system, in my view, is marginally the best at the present time, with American Express Lunn Poly and Hogg Robinson not far behind. The launch of a similar system by Pickfords is imminent.

Access to a fares unit providing details on cut-rate fares is a vital link which must be available if company travel costs are to be kept down.

Analysis of travel costs

A *THOMAS COOK* air fare savings report or a Lunn Poly Air Travel analysis would be useful to show where further savings might be made.

Once data has been captured electronically, an analysis of this nature becomes possible.

The most effective way to achieve this is by means of the Computer Communications (CCL) Document Printing and Accounting System (DPAS). Around 200 of these systems are in use in UK travel agencies, automatically producing air tickets, invoices, itineraries and end-of-month statements.

At present, Hogg Robinson capture the data required for analysis from the CCL DPAS transmittal file, and use their number crunching main frame. But CCL are developing software which they hope will be able to match the Thomas Cook report.

The new American Express Business Travel Account system was *launched several months* ago, and this too captures information in a way which makes available various management reports. At the very least, companies have a right to expect accurate statements of account with no errors.

Since the production of invoices and statements flows automatically following ticket issuance, a CCL DPAS statement can only show the price actually printed on each ticket, for which a charge is being raised.

Hotel corporate rates

A LARGE company has probably contracted low price corporate rates with several multinational hotel groups.

But better prices may be available through the major travel agency multiples. Certainly small organisations should take advantage of the rates offered by American Express, Hogg Robinson, Lunn Poly, Pickfords or Thomas Cook which will provide substantial savings not obtainable through an independent travel agent.

HR, TC and Amex each claim their hotel corporate rate programme is the best available to the British business traveller. Each organisation can quote parts of the world where they are the best, but the huge savings, compared with ordinary room rates, are similar whichever big agent you use.

The Amex programme is typical, featuring over 2,500 hotels in more than 120 countries, in a 60-page booklet given to all their travel service clients. Rates are discounted by up to 30 per cent at a selection of deluxe, first-class or budget hotels. When superior rooms are available, Amex clients are automatically upgraded, while reservations are guaranteed.

Cut-rate car hire

THERE CAN hardly be any major British company requiring a substantial amount of car hire, that has not already been negotiated direct, big discounts on the standard rates. The travel agency chains have also come up with good deals, which the smaller agents cannot possibly match.

The offers by American Express, Hogg Robinson, Lunn Poly or Thomas Cook are similar, although the car operator often varies.

Amex, for example, state, "we have negotiated an arrangement with Avis offering your company a reduction of between 10 and 35 per cent on Avia published rates." All of this type of deal includes guarantees of the ordered car or one better at the same price, and easy drop-off, with the bill, less discount, finally arriving at the user's office.

The structure of some parts of the travel industry is strictly controlled, the end purchaser being unable to gain a discount for bulk purchasers by going direct to the supplier. Car hire operators seem to have gone to the other extreme, and it seems to make little difference to them how they sell their product as long as they get their planned net income.

Discounts on rail fares

LAST YEAR British Rail introduced Travel Key, yet one more charge card to add to the vast amount of plastic credit, travellers *already carry.*

The initial offer of 5 per cent discount on rail travel purchases for 12 months only applied to cards issued by the end of last year, but this has now been extended.

Unfortunately this key card unlocks a trapdoor, into which the unwary can all too easily fall. The card provides 10 per cent off accommodation at a huge range of hotels throughout Great Britain, as well as 15 per cent of the cost of hiring a car from Godfrey Davis.

Bookings *through a major* travel agency group, however, as already explained, probably provide far bigger discounts than these through their corporate rate programme.

Of course, if the company account is big enough, the discounts which organisations will have negotiated direct, will also be higher. Most travel managers subscribe to the industry newspaper, Travel Trade Gazette in order to keep fully up to date.

Naturally, they find it essential to know *how much* commission travel agents are earning in order to negotiate their own deal. TTG explained that BR introduced a new commission scheme for travel agents in 1984. Outlets with a turnover greater than £100,000 last year are now earing 11½ per cent commission, those over £40,000, 10½ per cent, and below this 9½ per cent.

These margins are very slim considering the small size of most transactions. Quite apart from this, the cumbersome reservation methods might involve travel agency clerks in an hour of telephoning at busy times.

Several months ago, BR gave commission to agents to place ticket books with their company accounts, a practice which has been going on for some time, unofficially.

Now it is out in the open, companies can make a judgment *concerning the costs of their* own staff undertaking this chore, associated with an agency discount on rail travel, compared with payment in full or at a smaller discount and issuance by the agent.

The prime consideration should be the provision of the best possible service to the business traveller.

Travicom system

A TRAVEL office staffed by implant clerks and fitted with a Travicom automated air booking system duplicates some of a travel agent's work and is less efficient than the operation of a business travel centre. So, if a company could manage perfectly well without its in-house travel office, abandon it and share the reduced costs. Dependent upon experience, implant travel clerks are probably being paid between £5,000 and £8,000 per annum, on top of which must be added 15 per cent national insurance.

Travicom Apollo terminals cost £1,050. There is a licence and connection fee of around £1,452 a year. It is most efficient to have a direct data line connection, which costs on an average basis a further £1,800 a year.

The alternative to this is a *dial-up unit, not permanently* connected. If this is used to access the less sophisticated Travicom Traveller Viewdata system, it costs only £450 pa plus telephone call charges.

Add these figures together and you can see why it is that a travel agent may well attempt to service an account transacting £500,000 a year with only one implant operative, for two such employees plus the necessary apparatus could make the account unprofitable.

Non-cashable vouchers

"IF ONLY my salesmen showed as much integrity at selling our services as they do in composing their expense accounts, we would lead the market worldwide."

Of course, this comment concerning the lurid works of fiction composed with unfailing regularity, could have been made by many companies.

One way to control travel expenses is to use non-cashable vouchers and tickets instead of reimbursing travel expenditure.

Some redundant executives are supplementing their dole money by going to two or three interviews a week, in parts of the country far distant from their own home. *If you send a British Rail warrant, this can* only be exchanged for a travel ticket. If the warrant is not used then it costs nothing.

The same applies to ticket on departure arrangements at airports. It is important to make sure that air tickets are always written on a "non-refundable" basis, so as to prevent encashment.

Companies would find it better to cease issuing airline Miscellaneous Charges Orders (MCOs) and insist, instead, that items such as excess baggage charges are paid for by credit card. Even when an MCO is clearly specified as being only for excess baggage or some other specified service, when it is rewritten in some far-flung part of the universe, the MCO may become of more general use.

Extended credit

IT COSTS nothing to borrow money from your travel agent instead of your banker. Agents must pay airlines by the 15th of the month after ticket issue, otherwise their IATA appointment my be withdrawn.

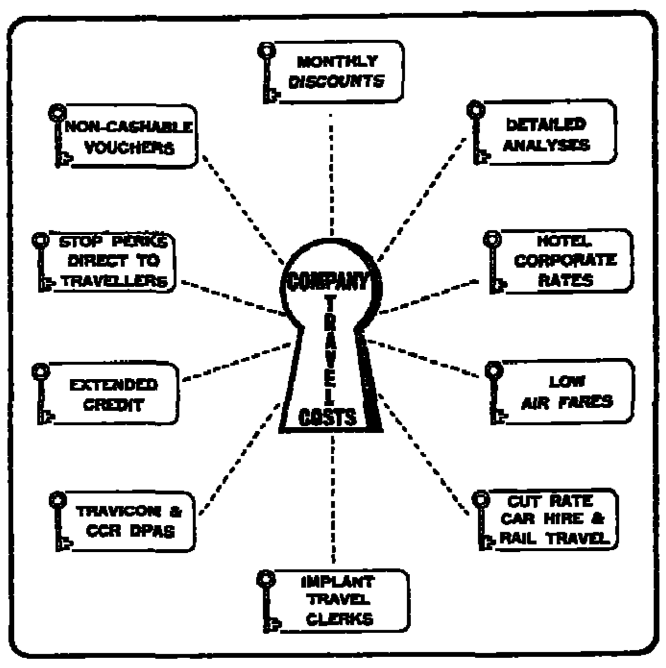
There is no way of avoiding this payment date, and your agent starts paying overdraft *interest, or else earns less in*vestment interest, if you pay later. For the sake of simplicity, consider an interest cost of 12 per cent pa, which is 1 per cent for every month an account is overdue.

Travel agents' revenue on business travel varies between 9 and 11 per cent. When customers pay on invoice with no other accounting, profit levels are probably between 4 and 6 per cent of turnover.

The cost of invoicing and col*lecting reduces these figures by* around a half per cent for a monthly account.

The high clerical cost of debt collection as accounts become considerably overdue, may cost yet another half per cent. Thus, the administrative cost gradient, taken together with interest charges, rapidly whittles away the profit on a business travel account.

How promptly does your company pay its travel bills? Before you embark on discussions with your agent, which you hope will lead to better terms, you need to pay a visit to your accounts department. You may discover that it is better to leave well alone.



Perks for travellers

SHOULD PERKS be given direct to travellers? The answer depends entirely on whether the seduction conflicts with the interests of the company originally paying the travel bills.

Most U.S. airlines encourage loyalty by offering free or reduced-rate travel and holidays to a business man and his wife. Points are generally awarded based upon the flown mileage *of each journey.*

These schemes, however, are only operative the other side of the Atlantic, and to qualify an address must be supplied in the U.S. from which a traveller can pretend he operates.

If a particular airline, with which a traveller is building up a points credit, happens to offer the cheapest deal, all well and good. But it must be the price that the company pays, together with the business requirements of that particular trip, that are the major criteria being considered when selecting an airline.

FT writers discuss business entertaining in important cities on this and the next two pages

It pays to ignore the UK knocking game

THE BRITISH, so they say, are masters of understatement and love telling jokes about themselves. The foreign business visitor may note the first—a "modest" house may mean a mansion; "not bad" usually means exceptional—but should be cautious about the second. Any UK citizen is likely to launch into woeful stories about politicians, our unions, our products. Do not be fooled, and certainly do not join in. If you voice your own unflattering views on those subjects the atmosphere may turn a little icy, unless we really want you to place the order.

UK business entertaining tends to be unobtrusive, and your host will be disquieted by over-enthusiastic gratitude. Assuming your visit to be on a one-to-one basis rather than as part of a group it would not be unusual for the host to involve wife or husband.

"Let's start with drinks at my flat" would be normal, before proceeding on to a nearby restaurant. You do not need to take a present on such occasions, indeed it would be embarrassing. If you must take some chocolates or flowers for the hostess these will be gracefully accepted, but a thank you note or flowers the next morning are much more the local practice.

Self-drive company cars are the norm in the UK but it is possible that your host will not have a chauffeur driven vehicle unless he is of elevated status. In central London it would therefore be quite normal to ask you to make your own way to the flat/restaurant being suggested.

Night life

You may be offered some night life afterwards but this is unlikely and, unless it is at a club such as Annabel's you would be wise to decline. London is not at its best after midnight.

The British do little breakfast entertaining, but a great deal of lunch-time business. Business lunches are tax deductable. If you are invited to a business lunch make your next appointment at 3 pm at the earliest, 3.30 would be safer. The British themselves make up for this by happily working late.

"Events" feature heavily in the British business scene. If your host casually offers an Ascot box (horse racing), a Wimbledon ticket, an opera seat or entertainment at Henley (rowing) accept with grace, it is costing his company a fortune.

Discreet

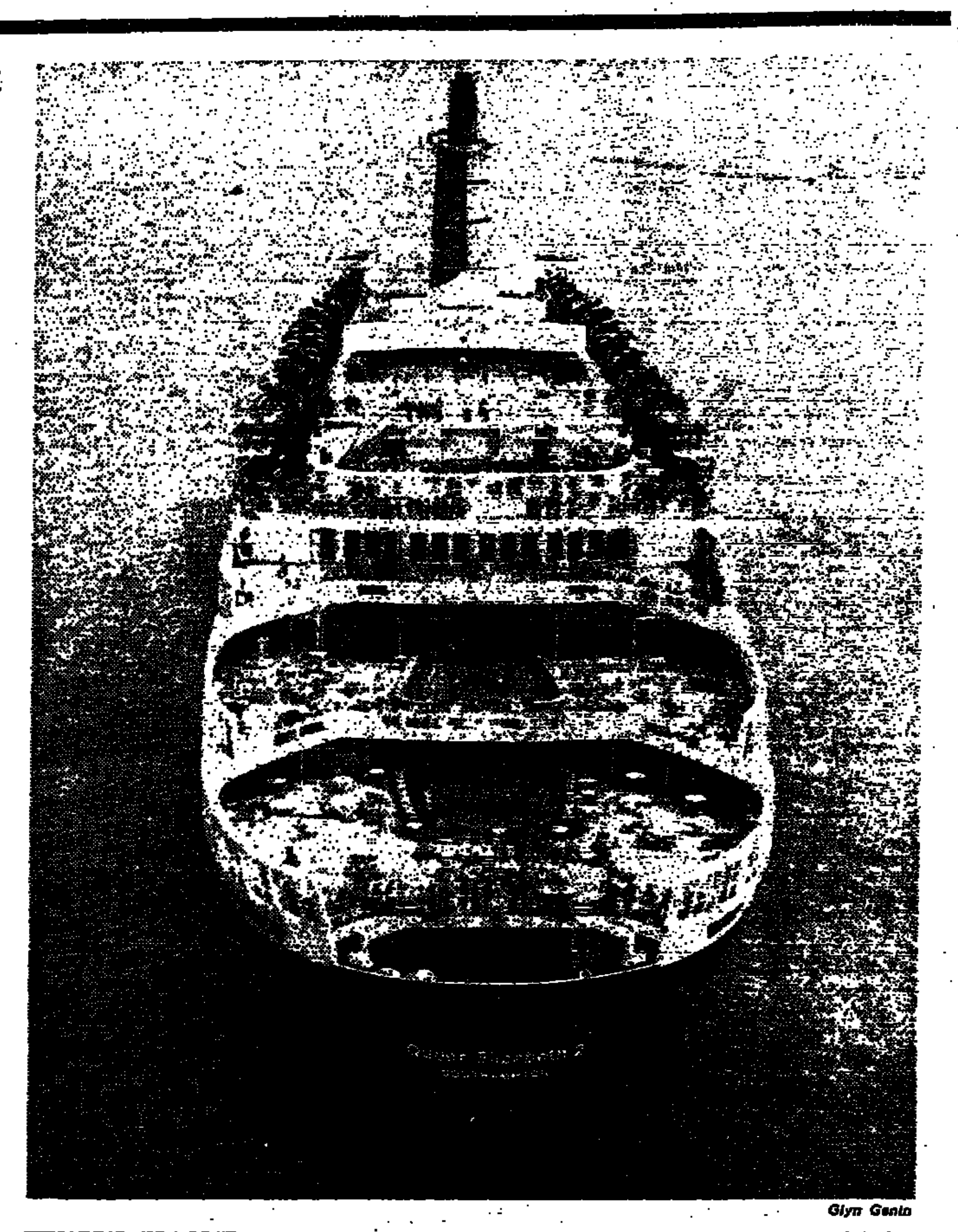
If you are invited for a shooting or fishing weekend or a weekend at a country retreat, you are being done a great honour. The British try to keep their business and private lives strictly apart.

If you are doing the entertaining avoid the ostentatious. The British secretary is usually discreet and helpful so call your guest's helper for some useful tips on where they like to eat and what they like to do.

Blatant bribes will cause deep offence but the more devious approach—"why don't you and your wife come over to our Chateau for the weekend, the rest of my board will be there"—allows the customer to accept or reject without ruffled feathers.

In dress: aim for conservatism. In the UK it is always better to be too formal rather than too informal. A dark suit will not upset the pop group, but Bermuda shorts would rock them in a City boardroom.

Arthur Sandles



Glyn Genin

CUNARD'S FLAGSHIP, the Queen Elizabeth 2, is the only liner offering regular services on the North Atlantic. Her 24 sailings between May and December have a number of facilities for the business traveller, including direct-dial telephone and telex links via satellite, the use of micro-computers, and full secretarial services.

Cunard find that the ship is used by families taking up appointments in Europe or North America, travelling with heavy baggage, cars and household pets.

A number of attractive fare packages are offered to the short-term business traveller—First Class travel on the ship with one way on Concorde, at less than the single Concorde fare, "Wife Free" fares, and no-cost flights between London and New York.

The QE2 Transatlantic crossing can also be combined with Round the World air fares offered by Northwest Orient and British Caledonian.

GLYN GENIN

Food plays a major role in France

FRENCH BUSINESS entertainment can be summed up in one phrase: good food. In a country fabled for its cuisine, it is hardly surprising to find that most forms of business entertainment are focused around lunch or dinner in a restaurant or at someone's home.

A spectacular example of this form of entertaining is the way in which the major French enterprises involved in France's high speed train technology have been promoting their product. Potential customers of the train de grande vitesse (TGV) as the high-speed train is called are whisked down from Paris to Lyon, lunched at Paul Bocuse, the celebrated three-star restaurant outside Lyon, and then whisked back to Paris. The Governor of Florida and a large delegation of American officials were treated to this ride the other day as France continues in its efforts to sell the TGV to the U.S.

More conventional characteristics of business entertainment in France are the inevitable lunch or dinner in a well-heeled restaurant; in Paris a visit to one of the big show-places like the Lido or (for Americans and Japanese visiting executives in particular) the Crazy Horse often rounds off the evening.

The French are keen to show off their cities and regions and will often mix a business visit with some sightseeing. Increasingly, they also like to hire a local chateau or historic hall to entertain large parties. They are also far more hospitable than often imagined and their homes are open for business contacts.

Best tip

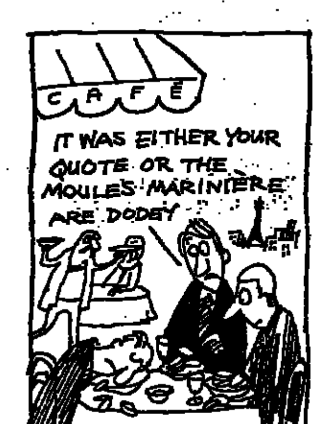
The best tip to anyone being entertained in France is to speak or at least try to speak French. It has long been the passport to success in France for foreigners to do business in French when in France. Even if one is not au fait with the intricacies of French etiquette (and the French themselves are normally very tolerant towards foreigners), it is a big plus to speak to your host in French.

The French are in general formal — this is more true in the north than in the south where the Mediterranean temperament prevails over the strictly French conventions — and it is a good idea to be in turn formal, understand and openly appreciative of the hospitality being given.

The French like to lavish compliments and expect to receive compliments back. Under the usual rules of French etiquette, you do not normally bring a present when invited to dinner at someone's home but you do send a gift afterwards. Nonetheless, it is better to bring a gift with you to dinner rather than forget to send one later.

Apart from speaking in the native language, it is also extremely helpful to avoid criticising openly all things that are French with the exception of politics. The French like talking endlessly about politics, but they are also chauvinistic. Even if this chauvinism can become irritating at times, it is a good idea not to show it.

If you play along with this French weakness, try to speak French with your host even if his English is impeccable, and remember to be complimentary without gushing, you will be entertained royally in France.



Paul Betts

The formal touch is welcome in Germany

THE GERMANS are reputed to take their pleasures seriously. That is at best a half truth, as any visit to the Rhenish "Karneval" or the Munich "Oktoberfest" will show you. But it certainly applies to their business entertaining, where the practical aim of the contact remains firmly uppermost, however relaxed, in principle, the surroundings.

For the foreign business guest the golden rule is—you can never be too formal. Naturally if you are invited by your German host to supper at his home you would wear a dark suit. You would also expect to take flowers or chocolates for his wife. But do not be taken in by invitations to a "relaxed, informal" evening at a "typical little restaurant" with a few other business friends. If you turn up in less than formal attire, you are likely to be in an embarrassing minority of one.

Another point—in Germany it is more than usually easy for the unwary to outstay their welcome. However excellent the cognac after supper, however enlightening the conversation about business prospects—the Germans are early risers and generally abhor getting late to bed.

When the clock strikes 12 guests are wise who spring up together from their places like marionettes in a pianoforte, offer copious thanks and depart at speed.

For the same reason most business guests are unlikely to be invited to sample local night life into the early hours—or if they are, it is probably in the expectation that the offer will be politely turned down.

At least some regional qualifications need to be made to these general rules. In Berlin your host may well turn out to be more free and easy than his equivalent in the Federal Republic itself. Perhaps it has something to do with the (no exaggeration) unusually crisp Berlin air, in which hangovers dissolve delightfully quickly.

Culture

In Munich, too, there is often less formality than elsewhere—but the foreigner should not try to push his luck on that score too far.

Germany's major business centres, like Frankfurt, Dusseldorf, Hamburg, Munich and Stuttgart, all have high quality opera and concert performances on offer—and, somewhat less high quality theatre.

If your German host proposes a visit—do not refuse even if the programme is not wholly to your taste. That goes all the more for major festivals like Bayreuth, where tickets are expensive and hard to come by—even for German companies with relatively big entertainment budgets.

At least one English businessman is now ruing the day he turned down, as politely as he could, an invitation from a German business contact to Bayreuth.

He shuddered at the thought of four and a half hours of Parsifal; but he also discovered that the excellent German connection he thought he had somehow faded away. Sometimes service for a company involves the most extraordinary sacrifices!

Jonathan Carr

In Italy you can say it with flowers

BUSINESSMEN coming to Rome expecting to sample a slice of dolce vita in its night life will be disappointed, although there are signs of a revival of that Fifties cult. Nightclubs have become places to show off the slim figure produced by a hard day of aerobics rather than havens for minds taxed by weightier matters.

"In my time, one went to meet the people who really counted, from Gianni Agnelli downwards," sighed a blonde star of cafe society of the 50s and 60s.

However, life does not come to a stop at 11 o'clock in the larger cities of Italy. Beppe Pirodi (financier and playboy) taking advantage of a great wave of nostalgia for the Fifties, has opened a new club in Milan, the Caffe Roma (Via Ancona, Brera). One feels, entering, that one has walked into the film-set for Casablanca, complete with the negro pianist and the owner trying hard to look like Bogart.

This is a carbon copy of a club he opened in Los Angeles early last year. He feels that night-life is starting again after a dark period of economic crisis, in which fears of terrorist attack, kidnapping or mugging—or the relatively minor inconvenience of having your handbag or mink snatched—have kept people at home.

Rome, being not only the political capital, but the centre of the film industry, has always considered itself second only to Paris in terms of jollity. Here, too, the smartest nightspots rely heavily on the Fifties for their decor.

Top of the list is the Open Gate, just off Piazza Barberini and near Via Veneto (the centre of Rome nightlife in the Sixties). The premises have now been acquired by Gaumont and the club re-opened last spring. Brilliant lighting, comfortable sofas, a tiny dancefloor and a restaurant offering lobster or caviar souffle (very popular with visiting sheikhs—the only people who can afford it) and a champagne-bar with other 40 different types of spumanti (sparkling white wine).

Three other thriving clubs are the Jackie-O (which has been a famous venue for the well-off bourgeoisie for 20 years), the Ottanta-Quattro and the Bella Blu.

A less demanding and more usual evening in Rome might start with a drink at Harry's Bar on the Via Veneto (the most frequent business meeting place) It is usual, incidentally, to send a car to pick up a visiting business acquaintance—taxis not being quite what they are in London (the rate of tipping is the same however) Then perhaps dinner at Piperno (in Rome's historic "ghetto"—and famous for its Carciofi Alla Giudea or Al Moro, both offering high quality Italian cooking, extremely refined and very different from the average Italian restaurant abroad

Another delightful restaurant is Romol at Porta Settiminiana in Trastevere, where Raphael is said to have painted his Fornarina. A more luxurious alternative (the food can't be bettered, however) might be the Hostaria dell-Orso The premises are unusual: the building is a smallish 15th century palazzo decorated inside in an excessively palatial period style (it is also a night-club)—comfortable but overpriced.

In Milan, one might lunch or dine at Savini in the famous Galleria formal and traditional with an extremely high standard of cooking, Boeucc, or El Toula (which has branches in Rome and other cities) Booking has now become necessary in all these restaurants.

Avoid August

One must be careful to avoid the *giorno di riposo*—every restaurant in Italy is closed one day a week. August is a desert in all the main business centres.

For a late-evening supper in Milan, there is the Nepenta, a smart discotheque-restaurant, or the St Andrew's in Via di S Andrea—a restaurant with piano-bar.

If invited to dinner in a private house, it is usual to bring flowers or chocolates to the signora certainly no large present. For large parties, it is considered good form to send flowers either the morning of the party, or the day after.

Credit cards are still in their infancy here. Not that they can't be used almost anywhere but Italians instinctively prefer cash. An Italian executive would really prefer not to be given an American Express card by the company he works for—it provides too precise a check on his expense account: it's not a question of fiddling but the desire for freedom within limits.

Bribery is innate in this country. The tradition goes back to Roman emperors marking anything they liked the look of on their travels in Greece and elsewhere AUF or *ad urbem ferat*—so that it arrived safely in their villas in Rome without the inconvenience of customs duties (which were strict). One still hears today *Oggi Mangio Aufa* which means "I'm being taken out to lunch today."

Everyone who counts is showered with presents at Christmas: a banker friend was desperately embarrassed by a gift of 10 gold coins, and another friend, married to the president of one of the state conglomerates here spends most of January solemnly returning to sender all her husband's large Christmas presents.

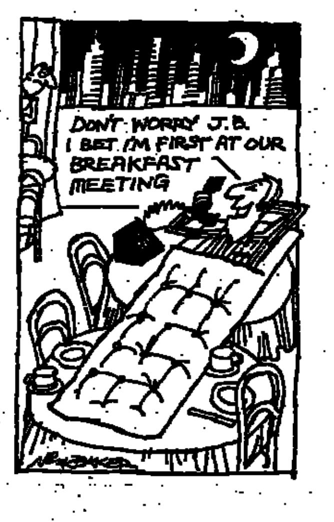
Jennifer Grego

BUSINESS TRAVEL VII

The Wall Street area of Manhattan — Glyn Genin

Fashion-conscious habits in U.S. homes

FOR ALL their level-headed pretensions and drab wardrobes, American businessmen and their social habits are as fashion-conscious as preppies and punks. Where preppies set their style by New England mail-order catalogues and punks follow pop stars, the President sets business fashion. Wardrobes change with administrations, and with the wardrobes go the nation's social habits.



In these conservative times suits are more presentable than ties with mere jackets and trousers. American women have won the right to wear slacks where dresses were once called for but growing numbers of women don suits with ties—bought from shops devoted to such attire at suitably exclusive prices—in an effort to be more formal than feminine.

With more home entertainment, Americans wonder whether they are being informal with business colleagues or letting business intrude into personal life. Such gatherings raise questions of just how informal to be, with the result that often only the host is without a tie.

Flowers or a bottle of wine are always appropriate for the hostess and much less embarrassing than seeing the next guests arrive laden with favours you neglected. Personal questions are a staple of American conversation and can be deflected with an offhanded comment, causing no offence.

Home entertainment is rarely intimate, ordinarily involving at least three couples, but it has a cache that eating out lacks. In harder times, companies became more tolerant of credit-card charges as salaries did not rise.

With plastic remuneration, the host using a credit card is himself a guest of the company. The guest merely gives them both a chance to be taken out.

People now even have breakfast on the company. Popular New York business hotels recommend early morning reservations. By 8 o'clock deals are being struck over scrambled eggs and toasted bagels. An American Express survey recommended: "Hold breakfast meetings. . You... save on the price of the meal, as well as on alcoholic beverages."

But breakfast has probably been added to, not substituted for, lunch. Busines machismo is now measured by how early the day starts, the result perhaps of an Apple Computer ad that shows a hardworking young executive ringing his wife to say: "I'll be home for breakfast."

One visiting Englishman remembers a 6.30 call on a Silicon Valley business morning when he felt "compelled to sound as wide awake as he was."

A very rough guide to the propulsion rate of an upwardly mobile executive is how early he has his breakfast. Strict work habits are not, however, the sign of self-abnegation, since the ultimate rewards he expects will include use of the company flat, baseball-stadium box and limousine.

The ubiquity of credit cards (and the replacement of entrepreneurs by managers) pushes distinctions beyond mere expense to real exclusivity, in a Washington-inspired reprise of the old Republican refrain, "If you've got it, flaunt it." For the 1980s add, "If not, get busy."

Frank Lipsius

Swiss ready to talk at lunch

FOR ALL the myths about the hard-headed, sober-sided Swiss, business does not have to take place at half past seven in the morning in an antiseptic office among the rubber plants.

Entertaining and being entertained are very much a part of executive life in Switzerland which is hardly surprising in view of the country's tradition as a classic tourist centre.

Business entertainment is to a large extent a matter of eating out At the last count, there were some 22,000 restaurants and hotel dining rooms in operation, even excluding the 2,000 tea-rooms (the Swiss for which is, incidentally, "tea rooms").

The Swiss who dine out frequently are good judges of a good meal. Nor is there much fear of going wrong, since almost all respectable restaurants and most run-of-the-mill places are at least adequate and at best excellent.

It is perfectly normal practice for a business visitor to Switzerland to be asked for a talk over lunch—and equally acceptable for him to invite his Swiss opposite number This is usually a much longer and more sophisticated meal than the quiche-or-roast-beef-sandwich platter beloved of American businessmen or the British pub lunch, typically starting at 12.30 and ending at two or after.

The best bet is generally something relatively light and local, such as a veal dish or lake fish, together with a light red or white wine Salad, often served from the trolley, is taken in German-speaking areas before and in the Suisse Romande after the main course

Dessert is optional but a coffee or even two after the meal virtually *de rigueur*. This is also the time when everyone has got down to business.

Exception

If you are the host, remember that Switzerland is not one of the world's cheapest countries The grill rooms of five-star hotels tend to be very pricey However, just about every restaurant takes credit cards.

A strange exception is that of the various establishments on Zurich airport, which accept cash only. Tipping in restaurants was scrapped some years ago, though a big bill or good service can still warrant the payment of a "rounding-off" gratuity (A similar uncertainty exists with taxi tips, whereby taxis tend to have a sign to indicate whether the tip is included in the fare or not.)

It is, by the way, worth trying to book a table if you are issuing the invitation. The most popular city restaurants and even the best of the suburban ones are often full at lunch time.

Frequently, a visitor will find himself or herself invited to a company's dining room on the premises. This is popular particularly where the party is rather a large one or where conversations should be kept confidential. Never fear—most executive dining rooms in Swiss companies serve anything but "canteen food" and some are definitely gourmet establishments.

For larger-scale meetings, corporate presentations are most frequently held in the morning, followed by a lunch or at least a round of aperitifs and canapes. Longer events would usually be arranged around lunch. Each city has a number of hotels specialising in meetings and conventions.

Working breakfasts are not unknown in Switzerland, but it is not necessarily a good idea to suggest one. Generally, they occur only if there is no other chance to get together. More common are meetings over dinner, particularly as a social rather than a business date or when wives or husbands are invited along.

This is then a substantial meal, which might begin at 7.30 or 8 pm and go on until at least 10 o'clock. Night-club invitations are much rarer.

It is definitely not usual for a business visitor to be asked home by his Swiss host, even for a pre-dinner cocktail. Entertainment other than that of family or close friends—and even much of this—takes place in the restaurant rather than in the home. (The invitation to a golf course is even more out of the ordinary.)

For business invitations of almost any kind, dress should be sober. One exception is for congresses or internal corporate meetings held in resorts, where—other than for formal banquets — most participants stick to jersey-and-anorak order.

There are no major taboos in conversation, which is made easier by the fact that the Swiss business community is as a rule well-informed, well-travelled and gifted with tongues. However, the automatic use of Christian names should be avoided, particularly with anyone over 30. The "Du" or "Tu" is offered much, much later in a relationship and generally not at all....

John Wicks

Singapore's relaxed approach pays off

SOMERSET MAUGHAM, Joseph Conrad and Kipling are not recommended reading for businessmen who intend to do serious business in Singapore. Official handbooks on the country's development and growth over the last 25 years would be more appropriate.

Singapore is not an outpost of the empire, complete with coolies and tow kays (managers) in the godowns.

The journey from the modern and efficient Changi airport, to the Manhattan-style business district should make that point if official statistics do not, but Singaporean businessmen still complain of the superior attitudes struck by too many visiting British businessmen.

Some of the worst offenders are those who were still toddling when the Republic received its independence, and who, no doubt, regard themselves as enlightened.

Suggestions that matters are handled better at home than they are in Singapore will not be welcomed. Singapore businessmen are well aware that theirs is a new country, with some edges to be knocked off, but continually pointing it out does not win contracts.

Arrogance

Singaporeans, particularly civil servants can also show a strong line in arrogance. This could be a defensive attitude reflecting the youth of the country, but it doesn't make it any more pleasant.

Shouting at minor officials is no help (is it anywhere?), but a quiet voice and a smile through the bars of the office counter can effect pleasant changes in attitude.

The British businessman in Singapore can be all too easy to spot. He is that character sweating in the suit and tie, standing in line for a taxi outside the Ocean building in the business district. If he is a merchant banker, then he is probably wearing a stiff collar as well.

He might feel that business isn't really business unless it is conducted in a pin-striped suit, but it is not a belief that is shared by many local businessmen.

Singapore is just off the equator and unless meetings are extremely formal, its climate is reflected in style of dress. A tie is normally formal enough, although it would do no harm to regard first meetings with senior government officials or civil servants with the power to grant permits, contracts or financial aid, as extremely formal.

Useful

The other occasions when a light jacket of pullover might prove extremely useful is when lunching or attending conferences in one of the country's modern hotels or spending a long time in office meetings. The air conditioning can be erratic but locals leave their protection behind when leaving the office.

Citizens of Singapore are Singaporeans, and must be regarded as such. But Singaporeans are also Chinese, Malay and Indian and despite the image of one nation fostered by the Government, old traditions, customs and religions can run deep.

This does not mean that a crash course in Mandarin or Malay is necessary. Anyone that a British business visitor will deal with on a professional level will speak English. Occasionally a certain amount of Singlish will creep in. "Can you do it?" "Cannot lah."

Just as it would not be polite to offer pork to Jewish associates in Britain, it would be common sense not to suggest it to Malay Muslims, nor to ask a Hindu to join you in a rare steak.

The Chinese have few taboos on food, but the lingering business lunch, with brandy, coffee and cigars is rare. If there is brandy it comes with dinner, and is drunk with the meal, not after it. When the mood is right, there are Chinese businessmen who like to indulge in large quantities of the stuff —XO (a popular brand)—of course.

It is a good idea to bring up business sooner rather than later, as lunches break up very abruptly once the food has been finished.

If lunch is your treat, make that plain very early. Service is usually included, tipping discouraged. Prices on the menu are "plus, plus." That is plus 10 per cent service, and 3 per cent tax.

In an expensive restaurant, those extras can mount up. All the usual credit cards are accepted.

Taxis are very cheap, but like the rest of the world, are not always there when most needed. Waits are longest in early evening, or when it is raining.

Exchanging business cards is now as common as it is in Japan. A Chinese language translation on the reverse can be useful.

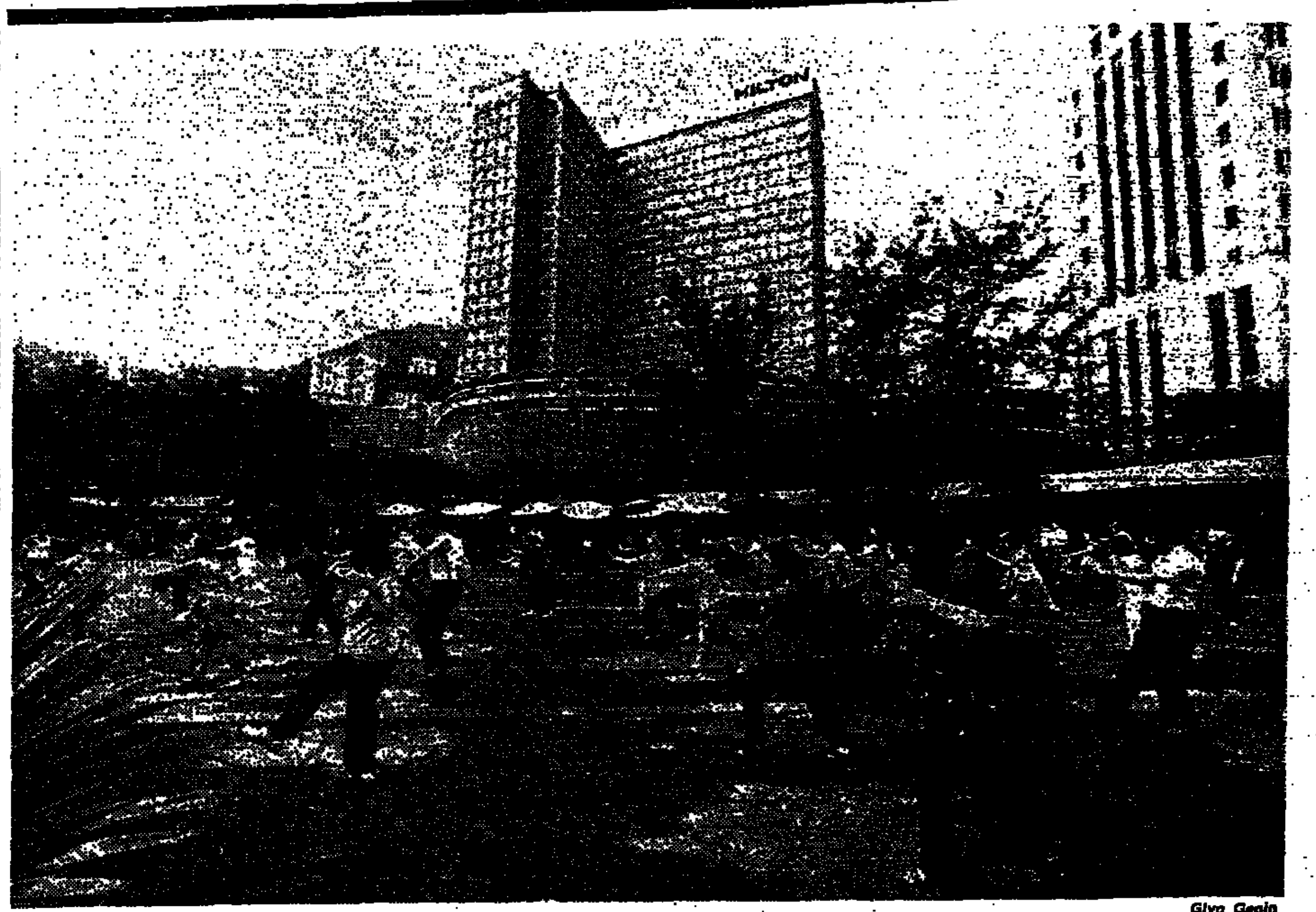
Forms of address present few problems. If a Chinese has westernised his name from Lee Toh Fong to Michael Lee, then he is Mr Lee, or, later on, Michael. If he has not, he is Mr Lee, until it is appropriate to call him Toh Fong. Your Malay associate, Abdul Aziz is formally known as Mr Aziz, or Encik Aziz, and later as Abdul. But if he carries a title such as Tan Sri, or Datuk, that should be used, particularly for introductions.

That mysterious abstraction "face" is still very important to the Chinese, particularly the older generation. Do not lose a client by scoring bargaining points in front of juniors, but also remember that he might be agreeing to a suggestion with which he does not agree in order to save your face.

For the same reason, there are those who say that it helps to put a little extra on a price so that a potential purchaser can win some face by negotiating it back off again.

Hair cuts? Few British businessmen need be concerned about the old rules governing the length of visitors' hair. It would need to be very long and very unkempt to cause any problems.

Ray Heath



The Hong Kong Hilton forms a backdrop to a class of physical fitness enthusiasts — Glyn Genin

Guide to the cosmopolitan world of Hong Kong

HONG KONG is a cosmopolitan city in which business protocol does not demand any particular expertise or eccentricity in eating, drinking, or making conversation. It is a city well-used to visitors drawn by its standing as the financial hub of South East Asia, and one of the most energetic manufacturing economies in the world.

Hong Kong has visiting businessmen like the Tower of London has tourists. As one of such a throng, almost the highest form of courtesy which the visitor can practise is punctuality.

Prepare your trip well in advance. Flights, hotels and contacts' diaries may all be full several weeks in advance. Secure a translation of your name in Chinese characters, and have this printed on the reverse of your business cards.

Prestige hotels

Have the translation checked, by somebody whose first language is Chinese, and whose judgment you trust. The Chinese language's capacity for subtle puns could render your new name a subject of much mirth to your Chinese host.

Take twice as many business cards as you think you will possibly need — they will be exchanged in Hong Kong with an almost Japanese fervour.

If you want to make an impression, stay at one of the prestige hotels — Mandarin, Regent, Peninsula, Hilton or Furama, roughly in that order of snobbism. Beware arriving in Hong Kong in October, when package tours book solid every quality hotel room in the territory.

If you want to entertain local business contacts, do so "Western-style" unless you are yourself something of an authority on Chinese food. Each of the major hotels has at least one first-class Western restaurant — the Mandarin, for instance, has a grill-room well suited to lunch, and a top-floor haute cuisine French restaurant, the Pierrot.

Do learn to use chopsticks well, if there is the slightest prospect of your being entertained by local hosts. While any Chinese restaurant will be able to find you a knife and fork, an inability to use chopsticks suggests a carelessness bordering on discourtesy.

Do not worry about any language barrier. A visiting Westerner will not routinely be expected to speak Chinese or

to travel in the company of an interpreter. Every senior Hong Kong Chinese civil servant and most businessmen will speak English, or will have a personal assistant who does so. Of course, to speak Cantonese or Putonghua fluently is a great advantage — but to learn a few phrases as a "party trick" would be gauche.

Do not be baffled by problems of "face" in Chinese relationships. It is a subjective concept, more an art than a set of rules, and your finer subtleties will be lost in translation. "Face" boils down to mutual self-respect, the avoidance of airs of superiority or aggression.

Behave with self-restraint, formal politeness, and never lose your temper; if you receive an evasive reply, do not push ahead with the question, but accept that your counterpart does not want to answer directly.

Hong Kong is a very gossipy town, but do not be lured too quickly into the habit. It is also a very small town, in which your own loose words will be quickly repeated.

It is also a bad idea to initiate as a topic of general interest the uncertain future of Hong Kong as the territory looks ahead to the expiry of Britain's lease in 1997.

Above all, do not expound your own view of how the situation is likely to be resolved. Hong Kong people are simultaneously bored and fascinated by the lease question. It dominates the conversation of almost evey dinner party, whose guests subsequently rue having thus spent their evening. To raise the "1997" question is to almost guarantee treading club-footed upon somebody else's sensibility.

By all means lavish and enjoy as much hospitality as expense accounts afford; £100 dinners, a hired boat, a day at the races. But avoid giving tangible gifts to purely business contacts. Do not even consider doing so to civil servants or you may end up in court.

Hong Kong has one of the toughest anti-corruption machines in the world: the independent commission against corruption is effectively its second force, answerable to none but the governor.

A few formal points: Chinese names in traditional form lead with the family name. Thus, for a person called "Lam Ka-Wing," Lam is the family name, and Ka-Wing the personal name. Chinese practice is to reserve use of the personal name only, for intimate friends. So Lam Ka-Wing will usually be "Mr Lam."

Many Hong Kong Chinese also take a western first name, which is prefixed in western style, so Mr Lam Ka-Wing may introduce himself to a westerner as, say, "Anthony Lam."

If he does not wish to take a western name, he may abbreviate his personal name to its initials, and introduce himself to westerners as "K. W. Lam." In which case the initials "K. W." can be used casually and freely as a means of address.

Hong Kong remains, notoriously, a place which dresses for business. If the temperature is 90 degrees and humidity 95 per cent, still put on your pinstripe suit to call upon a banker or civil servant. Tropical shorts are OK in theory, but look eccentric in practice.

...and the ways of China

CHINA is one of the most bureaucratic and hierarchical societies in the world. You will not get in there in the first place until the relevant department of the Chinese Government has assessed to its satisfaction what you are worth, what you should be doing and why. Once in, you will have a schedule embracing virtually all of your waking hours and pre-arranged contacts at wherever it is deemed appropriate you should go.

The level of such contacts will be arranged with a comic precision: if you are adjudged to be a little below the top rung of foreign visitor, you will be presented at every turn with vice-directors, vice-mayors and vice-chairmen: principals will always remain invisibly out of reach.

The Chinese day begins and ends early. Be ready to start your scheduled day at eight o'clock in the morning—much earlier if you have to catch a plane or train, all of which seem to be timed for departure in the dawn hours.

Be prepared to face a large meal for lunch and an even larger meal for dinner at about 6.30 often a formal banquet of 10 or 12 courses and a mixture of drinks. Observe moderation in food and the more so in alcohol.

Chinese hosts will delight in encouraging you to drink beer, sweet wine and the lethal sorghum-based spirit called Moutai, in an endless series of toasts.

For a tolerable head the next morning, ask for orange juice instead of beer, ignore the sweet wine and when toasting take small sips of Moutai rather than draining the glass. Such abstinence should not give offence.

If you are spending several days in a city as the guest of a particular organisation, by all means throw a banquet for your hosts. This can be arranged by your hotel, or ask your hosts themselves to arrange it for you, making it clear that you will pick up the bill.

Robert Cottrell

Business entertainment a high art in Japan

FEW, IF ANY, countries have refined business entertainment to the artistic level achieved by Japan. It is no exaggeration to say that knowing the rules of the entertainment game is indispensable to business success for Japanese and foreigners alike.

It is a qualification, however, that does not come cheaply. Expense account entertainment, often on a very grand scale, is one of the most important prerequisites available to the typical Japanese executive, whose own private pocket could never run to footing the bill for even relatively modest evenings out, especially when he may be expected to do so three or four times a week.

For the record, which is irrelevant, the tax authorities state that in the 1982 fiscal year Japanese businesses spend Y9.5bn ($41m) a day in entertainment expenses. Everybody in Japan knows this is but a fraction of the real amount; over half the above sum was actually accounted for by companies operating in the red, who are not exactly typical of Japanese corporations.

Leaving aside the golf course, which the Japanese rarely do, most conventional business entertainment takes place in the evening. The long business lunch is simply not a Japanese phenomenon (nor is the working breakfast) and many of the establishments catering to the corporate trade do not even bother to open until the evening.

It is also generally the case that business matters proper will have been disposed of before entertainment begins, though if an evening flows well the threads of earlier negotiations may be picked up again, regardless of the sobriety of the participants.

From the Japanese standpoint the twin points of an evening's entertainment are to demonstrate and enjoy some of the charms of Japanese cuisine and service, in which there is a justifiable national pride, and to establish the sort of personal relationships that are the bedrock of commerce.

A popular recourse is the buffet cocktail party, most frequently held in large hotels. These will probably cost not less than Y7,000 per head, often very much more. It is customary not to attack the groaning board before formal introductory speeches have been made; guests will almost invariably be handed a small present (chocolates, a radio, a golf umbrella etc) on leaving.

Infinitely more expensive and usually much more interesting is the private room of restaurants, which come in more varieties than Mr Heinz ever contemplated. At the upper end of what is, in any case, not a downscale market, bills may well exceed Y50,000 to Y100,000 a head, especially if full geisha (a rarity), or even modified geisha, service is an accompaniment.

At such establishments, however, money or credit cards will rarely be seen to be changing hands, as presentation of a business card will normally result in the bill being mailed in the fullness of time. Discretion may also require an introduction, since the very best places would never stoop to advertising themselves.

Both buffets and dinners tend to start and finish early, generally by 9 pm. They may be followed by another integral part of the entertainment network, visiting a bar or club, many private and usually with hostesses on hand. Costs here vary hugely but can, if hostesses are given full reins, quickly assume staggering proportions—a condition which also frequently afflicts the clientele. Although Japan does not have a closing time, things tend to wind down by midnight.

Two other common characteristics to Japanese business entertainment should be noted: it is extremely uncommon for women, professionals or spouses, to be included; and, whatever dourness the Japanese may adopt in their working days disappears like icebergs in the Sahara in the evenings. Having decided to spend like drunken sailors, the Japanese see no reason to behave like the ancient mariner.

Jurek Martin

BUSINESS TRAVEL IX

More travel and entertainment expenses are being paid by credit cards. **John Burke** reports

Sharp expansion in plastic money

IN 1950 three rich Americans met for lunch—and then none could pay the bill as each was without his wallet.

This mischance gave rise to the Diners Club, starting with 200 creditworthy tycoons who could patronise two hotels and 27 restaurants in New York. American Express launched its own charge-card for travellers and so today there are well over 200m users of at least 100 brands of plastic money around the globe.

Britain alone has some 15m holders of various cards—mainly Barclaycard and Access for shoppers' credit. Yet even the home-based issuers have found that an undue chunk of profits comes from travel and entertainment (T and E), partly because British businessmen make almost 3m trips abroad each year.

Access reckons that a good fifth of its £2,853m turnover comes from T and E even without counting petrol, while Barclaycard says that these two items together account for £1,000m out of £3,240m. So, while few of the 6.8m Access and 6.9m Barclaycard spenders may have expense accounts, their slice is missed by the transatlantic two for whom the jet-set is bread and butter.

Diners Club has only 300,000 members in the British Isles out of 4m worldwide, while American Express sterling cards are held by 800,000 against 17m in other currencies. Thus the card companies hardly need a watchdog against cartels to be fiercely competitive in the T and E sector. They are forever trying to win more members by lavishly advertising new systems, promotions and facilities.

The latest move comes from Diners, which brought payment by plastic to Britain in 1951. It is selling the concept of five-cards-in-one with the accent on two services considered market-leaders. "The major offer is an upgraded insurance package, giving a traveller personal cover of £75,000 and other big benefits," says strategic projects director, David Abbott, at the UK headquarters in Farnham. The other new perk is a businessmen's lounge at Heathrow, through which 200,000 Diners Clubmen may pass every year.

American Express cards, which spread to Britain in 1963, are countering with their businesslike Consort Club at travel-centres in London, Paris and other cities. The multinational parent has long stressed the commercial benefits of its 1,100 offices in 140 countries—not least travellers' cheques. Globe trotters cannot pay with plastic for sundries like tips and taxis.

But hotel discounts (up to a third) can be negotiated on 200,000 company cards through American Express travel management, whose London vice-president is Roy Stephenson. The division was formed two years ago because in his words: "We see the way forward as a combination of all our services into an integrated system to help corporate clients plan and check T and E via cards." Amex can personalise bookings and analyse bills, which total millions of pounds annually for some big companies. Their accountants may see statements on visual display by next year.

Although the card companies (which have no trade association) will co-operate in technology, such as joint on-line terminals for immediate authorisations, the T and E pioneers may still set the pace in the market. Yet their newer rivals can make inroads partly by charging outlets less and paying promptly. They may need further establishments eligible for T and E, but their quantity already beats the world's 800,000 places taking Amex and 600,000 signed up with Diners.

Just in the British Isles 210,000 retailers accept Access—and abroad this increases to 4m through Eurocard and MasterCard (which is writ large on new cards). Special projects manager, Peter Traies, says in Southend: "Our role is to get travellers the widest outlets, while supplying the finest system to benefit that international network." Access trains point-of-sale staff like hotel receptionists and it is also streamlining accounting with airlines, some of which take credit-cards for in-flight sales.

The rival pooled card, Visa, boasts almost as many outlets, but it can be used for more cash at more banks: 140,000. London business manager, Ugo Scarpetta, thinks that the banking sector is still untapped, but that Visa scores highly in T and E. "A *quarter of our 105m* cards are used for business, because most of the issuing banks in 156 countries went for an exclusive local service," he says.

Visa members, coming to Britain, spend an annual £165m at the 202,000 outlets of the free Barclaycard, which was joined 18 months ago by Barclays Premier card. Divisional head, Seymour Fortescue, says in Northampton: "*We have so far issued 26,000 out of Visa's 1m golden cards and the enhanced advantages to the businessman include free use of telex, telephone and photocopier at Barclays branches abroad in emergencies.*"

Premier follows not only the American Express Gold Card, long held by 75,000 and partly promoted by Lloyds, but also Midland's *Mastercard issued* to 20,000 so far. Back at the banking trio's Joint Credit Card Company in Southend this leaves only National Westminster with one class of card, although it does own half of Diners Club.

While the City's card subsidiaries are making ever more complex efforts to woo T and E spenders, the travel sector itself *may have half a million cards* circulating in this country. Avis and Trust House Forte are among those with in-house cards and last summer British Rail launched its plastic Travel Key.

The classic card companies (some of whom run several of these schemes) claim that this competition is minimal. British Airways even dropped its own charge-card.

THE BIG FOUR

		BRITAIN				WORLDWIDE			
Launched	Card	Basic joining charge	Basic* annual fee	Membership	Retail outlets	countries	Retail outlets	membership (m)	Card
1951	Diners Club	£10	£17½	300,000	50,000	165	600,000	4.0	Diners Club
1963	American Express	£17½	£17½	800,000	70,500	160	800,000	17.8	American Express
	(American Express Gold)	£20	£40	75,000					
1966	Barclaycard	nil	free	6,900,000†	202,000	156	3,700,000	105.0	Visa
	(Barclays Premier)	£10	£25+	26,406					
1972	Access	nil	free	6,800,000†	205,425	155	4,000,000	80.0	Eurocard or MasterCard
	(Midland MasterCard)	nil	£40	20,000					

* Extra for company cards and some supplementary cards. † 20 per cent dual membership and 5 per cent with a T & E card too.

Hugh Routledge

Businessmen's lounge at Heathrow Airport for the benefit of Diners Club travellers

Hazel Duffy looks at what's on offer for rail travellers

Success comes with high speed

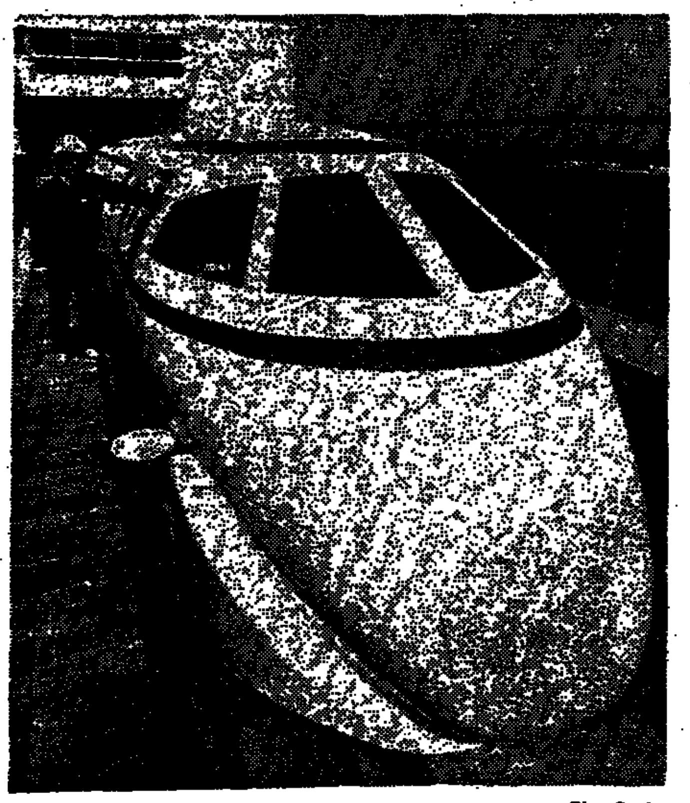
BUSINESS TRAVELLERS are very important customers of the railways. Unlike the price-sensitive passengers in the leisure market, business men and women — their fares paid for by their companies —tend to be more concerned about punctuality and convenience than the price of the ticket.

In the battle to win passengers from road transport, however, the railway authorities have sometimes been over-concerned with offering keen pricing to people travelling for leisure while overlooking the needs of the more stable business traveller. This has certainly been the case with British Rail. In the last year BR has tried to re-launch its business appeal with a number of measures aimed both at the pockets of business travellers (or, at least, of their companies) and at making them feel a little bit special. The lesson that the business traveller wants special treatment, particularly if he or she is paying for it, was learned by the airlines far more quickly than by the railways.

In the middle of last year BR introduced Travel Key, its own charge card. *Its purpose* is to simplify and cut the cost of business travel. Two types of card are available — a named user card for those who spend a good deal of their time travelling and an authorised user card, to be isued by a company to employees undertaking occasional business trips.

The card is not a credit card, full settlement within seven days of the statement date being required. It can be used in payment for travel on all BR passenger services, for meals on trains and in station restaurants, on Sealink services, and Godfrey Davis car hire, and at more than 200 hotels. Some discounts, including reductions on actual travel, are offered to holders — for example, 5 per cent discount on travel and bigger discounts on sleeping car accommodation. The price of the card is between £7 and £20, depending on the category and number of cards purchased by a company.

The discounts are attractive for companies whose employees travel frequently but ease of payment is probably more important for many companies. The railways can sometimes look very *old-fashioned* in the computer age, relying on telephone information, traditional ticket sale methods, reservation systems, etc. Travel Key gets round some of these problems. *Plans exist* at BR *for* expanding computerised reservation systems and issuing tickets against credit cards from station concourse machines to avoid queues at ticket booths.



Glyn Genin

The train now levitating at platform one . . . . MAGLEV—a magnetically-levitating linear electrically motor-propelled train—*is being* developed by Japanese National Railways.

BR is also attempting to cosset the business traveller a little more with the introduction of its executive services on certain trains. A special executive fare package for first-class travellers has been put together which gives guaranteed seats and vouchers for train meals and refreshments, light refreshment servicec in all first-class accommodation at the seat (avoiding queuing at the buffet) and 10 per cent discount on car hire at certain destinations.

High speed trains

BR is also test marketing new look high speed trains, with improved seats and furnishings as well as a new external livery. The exercise is designed to project InterCity services in their own right — as a successful, speedy link between main business and leisure centres in Britain — and this has been carried over into the advertising arena. The idea is that the public has accepted that the train has a modern image, relayed by "The Age of the Train" message, and that it now needs to identify specific services offered by BR.

The total InterCity passenger market *is worth £440m annually* to BR, £160m of the revenues coming from the business sector. Full first-class fares (BR has had no discounted first class fares since last May) account *for 14 per cent of total* InterCity revenue, a proportion which has been falling and which BR is anxious to boost again.

Competition for the custom of the *business* traveller *is intense.* Rail travel tends to be most attractive in terms of time spent, and comfort, on journeys up to 200 miles. Beyond that, air travel begins to cut in. A number *of factors* will *govern* the final choice of travel mode —for instance, the distance between home and airport, home and station, and the time taken to travel between the airport and city centre at the point of destination.

The airlines in Britain are increasingly aware of the domestic travel potential, and *are cutting into BR's market* savagely on some routes. BR has countered the shuttle competition with its £50m fleet of air-conditioned sleeping cars, in the belief that many business people prefer a comfortable overnight journey rather than the dash for the early morning shuttle.

Speed is the main weapon in the battle between rail and air in France. French Railways has demonstrated that its high speed train, the TGV, can make a big dent in the revenues of Air Inter on the Paris-Lyons route. The commissioning of the final stage of the new track last autumn has brought the rail journey down to a whisker under two hours at fares which are highly competitive with the airline.

Considerable time savings have been made on destinations further afield—Geneva and Marseilles, for instance — and French Railways is hoping to extend the TGV west to Bordeaux, and, at a later stage, across *borders* into *Belgium* and West Germany. The TGV already goes through to Milan and Turin, although existing track is used in Italy.

European railway authorities *are convinced of the benefits of* speed, although not necessarily matching the speeds of the TGV. The latest plan from Italian Railways, for instance, envisages the completion of track renewal between Florence and Milan (it is almost complete between Rome and Florence); German Railways is going ahead with track renewal and upgrading to permit higher speeds; most other European railway authorities have similar plans, although the speed of implementation depends inevitably on national economic budgets.

The high speed rail revolution, began in Japan and initiated in Europe by BR, is spreading worldwide. The economically advanced Asian nations, for instance, are look*ing to high speed rail solutions* to their traffic problems. Australia and the U.S. are planning high speed corridors. The business traveller is the major beneficiary of the revolution, *even if he/she has to sacrifice* some of the old fashioned comforts offered by the Trans European Express for the more functional standards dictated by high speed travel.

Preparation makes journey smoother

BUSINESS TRAVEL lacks glamour: apart from pressures involved in negotiation, all manner of hassles await the itinerant executive. He, or she, is expected to arrive at a meeting briefed, bright-eyed and bushy-tailed no matter how small the hour of arrival that same morning, how cramped the flight, how death-defying the taxi ride from airport to hotel.

Spruce and suitably garbed, the newcomer will take care to avoid causing embarrassment or offence. A successful outcome may hang on effortless presentation of facts and figures, but the visitor must also be au fait with cultural and social niceties. From the first handshake—or should it be a bow? And the mode of address? Doctor? Ingeniero? Licenciados?

All this before discussions open, and Westerners venturing East should be prepared to engage in protracted pleasantries before serious dialogue can start. When it does the dialogue itself must be studied, since hard-sell may score in Texas, but in Thailand even direct questions are disdained.

Counsellors

There will be the exception, the extrovert entrepreneur clinching deals in Delhi with slaps on the back, but most business travellers must use their common sense. If the company's overseas agent or colleagues and associates are not available for discreet inquiry, information and guidance can be gained from more formal sources such as the commercial counsellors sent on briefing tours from our consulates overseas, or the account executives in business sections of the major travel agencies.

The Department of Trade's series of booklets, Hints to Exporters, gives global coverage on topics varying from Import Permits in the Honduras to Modes of Address in Senegal.

Retail bookshops offer a variety of good travel guides, one or two specifically for the business traveller, all giving the standard intelligence on climate, currency regulations, vaccinations, visas and every other technicality of modern travel, and the Financial Times Businessman's Guide to the UK (£6.95), available through mail order, gives comprehensive coverage on 80 commercial centres, although this was produced in 1981.

Pocket guides

Pocket guides like the Berlitz Business Travel Guide to Europe (£2.45), or Penguin's USA for Business Travellers (£5.95), are informative without being chatty, and both attempt to deal with the *nitty-gritty of business travel*. Penguin's Vital Services include translator, photocopier, listed under 40 cities; Berlitz's Business Briefing for an A-Z of 31 countries gives main imports and exports along with other information on which the executive, presumably, *is* already briefed.

Some of Berlitz's helpful hints reflect those little cultural variations that can make business travel fascinating or exasperating, according to pain threshold. Under the heading Social Customs we are told that "many Poles look askance at teetotallers," while in Albania where early-morning discussions may open with rraki (distilled from grape pulp), "Refusal may be considered an offence."

Most of the popular travel guides can make interesting reading as well as giving hard facts: Fodor's Guides written for the American market; the Blue Guides (Benn), more sober but with an excellent history section; AA/Baedeker in nice plastic covers, with separate maps; Nagels Encyclopaedic Guides, comprehensive but poorly printed; and a variety of entertaining guides to the Far and Near East from new publishers like Lonely Planet and Vacation-Work. Mitchell Beazley's American Express Pocket Guides (£4.95) to cities in the U.S. and Europe are descriptive as well as informative.

Print outs

The travel agencies offer endless practical information. Thomas Cook's Bank View Data System provides printouts from 11,000 pages of data; Hogg Robinson's publication, A Question of Class, compares airlines' varying class category services, including tips on seat pitch and leg room. The chairman of Cox & Kings, Anthony Good, also chairman of the *Guild of Business Travel Agents*, described the kind of informal guidance that a good account executive can give: whisky will be appreciated as a gift in India, where it costs £25-£30 per bottle; anti-malaria tablets issued for India or Pakistan are no guarantee against Kenyan strains; Swedish drink-drive laws are extremely severe (blood-alcohol level is zero), and rigidly enforced. "There'd be nothing more embarrassing than to find yourself in jail."

Advice given can throw light on the adviser: a senior executive in a London-based Japanese trading company, asked how he would counsel his fellow-countrymen, commented that the British are conservative and proud of their history, and that there is no word in the English vocabulary for the concept "scrap and rebuild."

Jo Darke

Turning epaulettes into an art form, Elton John poses in one of his extravagant tour outfits. Pop and rock stars usually expect the very best hotel accommodation but at the best price.

Rock stars need VIP treatment

THE BEST-KNOWN international travellers are the stars of the entertainment industry. They are always being photographed stepping off a plane at Heathrow or being interviewed in their suite at the Dorchester. Not surprisingly specialist travel companies have emerged to cater for the travel and accommodation needs of artists whose professional life involves a great deal of touring.

In particular the pop millionaires are probably the most footloose individuals on the planet. Often suddenly catapaulted to fame and fortune, they have hatred of boredom and a casual attitude to life which is expressed in sudden travel whims. Their leisure time is spent in exotic holiday locations: their working schedule is based on intensive world tours.

For the specialist travel firms like Trinifold, which began by booking the tours of The Rolling Stones and The Who and now dominates the pop world, and HEP, which has a bias towards the film industry, it means brisk business, but also an ability to adapt to change. "We have to switch direction in five minutes," says John Glanquitto of Trinifold, "and we have to know what each individual client wants".

The problem is that tastes can alter rapidly. A favourite hotel can fall by the wayside through a casual slip in service.

Pop stars tend to be very domineering characters who expect the very best. They know that a tour involving perhaps a crew of 50 depends upon their popularity and talent and they can be very temperamental. In the main they expect the top suite in the top hotel in town. On the other hand, they know that the costs of travel will be set against the revenue from a tour so they are increasingly cost-conscious. They want the best but at the best price.

In the main the airlines and the hotels are quite prepared to offer discounts to show business personalities and their entourage. There was a time when hotels were always being wrecked by some pop groups or airlines were vowing never to allow a certain star to fly with them again because of boorish behaviour. Much of this was just a facade: they welcomed the publicity.

There are hotels, such as the Ritz in London, which are dubious about some rock stars, although the Ritz is a favourite haunt of actors like Rex Harrison. But in the main money talks.

The average American rock band is happy with the Holiday Inn and similar chains. It reminds them of home; there are branches in most towns; they have the swimming pool which appeals to the crew; and they offer a reliable if predictable service.

Loyal

The stars, like Elton John, have grander ideas. Popular hotels at the moment are the Royal Garden in Kensington, the Hyatt Carlton Tower, the Inn on the Park and the Hilton. The days when small hotels, like the Portobello, built up a big reputation among pop personalities are generally over.

With all the fatigue and hassle of touring the major artists like the familiar and will remain loyal to a hotel which provides a good service.

This is what makes the pop industry attractive to the hotels: not the room rates, which carry a discount, but the very lavish bills for room service that the artists run up. Travel companies like Trinifold make the booking and obtain the discount, which they then pass back to the tour promoter, retaining a 8-10 per cent commission, but the very high food and drink costs are billed direct by the hotels to the tour promoter.

Usually the band and the road crew are separated, the latter making do in three-star hotels. If they do share a hotel, pains are taken to keep the two sides well apart. Quite often a star can fall out with his band, or crew, during a tour, making more work for the travel agency.

All in all, although this can be very important business—a world tour might cost £100,000—it is hard-earned profit for the travel trade.

Antony Thorncroft

Women seeking fair consideration

A COMPANY executive, staying recently in one of London's larger hotels, asked how late the hotel's health centre stayed open. After six, she was informed, it was for men only. Why "Because men work, madam," was the baffling reply.

Clearly some operators in the UK travel industry have not woken up to the fact that, according to Executive Travel's latest review, women now account for 30 per cent of the business travel market. Others, however, are responding to the commercial opportunities, though with some nervousness about what is the appropriate marketing approach.

British Airways reckon women now make up 11 per cent of business travellers on their long-haul flights, rising to 15 per cent on North Atlantic routes. BA's "front of plane" marketing manager Paul Giblin says "It's a delicate matter. We don't want to single out women as a 'freak' audience," but is setting up a special study of the market.

Needs

Qantas "would not normally distinguish between male and female business travellers—we wouldn't dare," although UK sales promotion manager Ken Groves is aware "there may be certain parts of the world where women might appreciate separate facilities at airports."

The hotel industry is less inhibited about catering to the special needs of the woman executive. On one level these appear to consist of make-up mirrors, skirt hangers, hairdryers, feminine toiletries in the bathroom, even complementary chocolates.

On another level the industry is beginning to tackle more sensitive matters.

Crest Hotels surveyed women executive guests to establish what they wanted and are now creating Lady Crest Rooms in many of their 56 UK hotels, with a special booking service ensuring "a quiet table" in the dining room, and extra security arrangements.

Cunard's Hotel Bristol in Mayfair has gone a stage further with a "women executives only" floor.

The concept of segregated facilities is gaining ground in U.S. hotels but whether the idea will take hold in Europe remains to be seen. Both Crest and Hotel Bristol report capacity bookings for their special accommodation, but Britain's largest travel agency, Pickfords, have not yet detected any demand for special packages for women.

Jean Wadlow, managing director of Wadlow Grosvenor, a London audio-visual production company with offices in Paris, New York and Riyadh, makes at least two business trips a month but would not choose women-only facilities.

Hotel security ought to be good all round, she says, and as for dining alone in public, "business women just have to steel themselves to such things.

"It's your fault if you don't make your mark with hotel staff or get what you want from an airline."

Eileen Cole, managing director of Unilever subsidiary Research International, travels extensively in Europe and agrees that "physical security is an increasing problem, but I don't want segregated rooms. I just want good service, equal to that given to men. Airline stewards, for instance, used to have an alarming tendency not to see women but they, and hotel staff, are learning fast."

Women are becoming more demanding, but are still regarded as second-rate customers, according to Elizabeth Allman, who travels the UK organising clinical trials for a major pharmaceutical company: "A man with a briefcase would never be allocated a sub-standard room. There's not enough thought given to our needs. Why can't hotel bars provide magazines and make sure a single woman can have a drink without being pestered?"

Robin Pullman, manager for Hyatt Hotels' PR and advertising in Europe and the Middle East, agrees that "staff should be astute enough to make the single woman feel comfortable, without over-compensating."

Hyatt are "going all out for the businesswoman market in the United States," but offering special facilities equally to both sexes. The elaborate package for the businesswoman, she suspects, could just be the travel industry's current flavour of the month.

There could be a genuine gap in the market, suggests Audrey Chessell of the International Federation of Women's Travel Organisations, for serious attention to the needs of business women.

"It's not just a matter of providing hairdryers," she says. "For instance, why don't airlines and hotels provide special information for western women travelling to culturally different business environments?"

As Eileen Cole comments, perhaps companies wouldn't have to do very much extra to attract the loyalty of women business travellers.

Nicola McLaughlin